

**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

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**”)

**MOTION RECORD
(Motion returnable October 4, 2024)**

September 25, 2024

DAVIES WARD PHILLIPS & VINEBERG LLP
155 Wellington Street West
Toronto ON M5V 3J7

Natasha MacParland (LSO# 42383G)
Tel: 416.863.5567
Email: nmacParland@dwpv.com

Natalie Renner (LSO# 55954A)
Tel: 416.367.7489
Email: nrenner@dwpv.com

Lawyers for The Body Shop Canada
Limited

**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

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**”)

INDEX

Tab	Description	Page No.
1.	Notice of Motion returnable October 4, 2024	1 – 12
2.	Affidavit of Jordan Searle sworn September 25, 2024	13 – 41
A.	Exhibit “ A ” – Shared Services Agreement dated November 16, 2016	42 – 49
B.	Exhibit “ B ” – Services Transfer Agreement and Master Agreement	50 – 81
C.	Exhibit “ C ” – Letter Agreement with National Logistics Service Inc. dated September 20, 2024	82 – 86
D.	Exhibit “ D ” – Announcement dated July 17, 2024	87 – 90
E.	Exhibit “ E ” – UK Administrator’s Progress Report for the period February 13, 2024 to August 12, 2024 dated September 12, 2024	91 – 128
F.	Exhibit “ F ” – Sale Process and Procedures	129 – 135
G.	Exhibit “ G ” – Process Letter, email to the service list and announcement placed in Insolvency Insider	136 – 146
H.	Exhibit “ H ” – Email from Koskie Minsky to Davies and Cassels dated August 9, 2024	147 – 148
I.	Exhibit “ I ” – Letter from Davies to Koskie Minsky dated August 15, 2024	149 – 151
J.	Exhibit “ J ” – Email from Davies to Koskie Minsky dated September 19, 2024	152 – 153

Tab	Description	Page No.
K.	Exhibit “ K ” – Canadian Security	154 – 206
L.	Exhibit “ L ” – Release of Security dated September 7, 2024	207 – 212
M.	Exhibit “ M ” – Chapter 7 Trustee’s Motion dated September 5, 2024	213 – 255
3.	Draft Order	256 – 262

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
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**”)

NOTICE OF MOTION
(Stay Extension and Critical Supplier Charge)

The Applicant, The Body Shop Canada Limited (“**TBS Canada**” or the
“**Company**”), will make a motion to a Judge on Friday, October 4, 2024 at 11:30 a.m.,
or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard

- ☐ In writing under subrule 37.12.1(1) because it is ;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

-2-

THE MOTION IS FOR

1. An Order, in substantially the form attached at Tab 3 of the Motion Record dated September 25, 2024:

- (a) extending the stay of proceedings to December 13, 2024 (the “**Stay Period**”);
- (b) declaring The Body Shop International Limited (the “**UK Purchaser**”) a critical supplier to TBS Canada in accordance with Section 11.4 of the *Companies’ Creditors Arrangement Act* (“**CCAA**”);
- (c) granting a critical supplier charge over certain inventory of the Company as security for certain amounts payable to the UK Purchaser, up to the maximum amount of \$1,500,000;
- (d) approving the following priority of the Critical Supplier Charge and the following charges granted pursuant to and defined in an Order of this Court made July 5, 2024 (the “**Initial Order**”) : (a) Administration Charge; (b) D&O Charge; (c) KERP Charge; and (d) Critical Supplier Charge; and
- (e) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE

A. Background and Overview

1. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products under “The Body Shop” brand;
2. TBS Canada and TBS US, wholly owned subsidiaries of TBSI Realisations Limited (formerly The Body Shop International Limited) (the “**UK Parent**”)¹, have historically relied on the UK Parent for several accounting and cash management services;
3. The Company found itself in a liquidity crisis when TBS International unexpectedly filed for administration on February 13, 2024 (the “**UK Administration**”)², and funding for TBS Canada was cut off with no advance notice, resulting in a severe liquidity crisis for TBS Canada;
4. On March 1, 2024 TBS Canada filed a notice of intention (“**NOI**”) to make a proposal under the *Bankruptcy and Insolvency Act* and Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the proposal trustee;
5. On July 5, 2024, this Court made an order (the “**Initial Order**”), among other things, authorizing the continuation of the NOI proceeding under the CCAA, appointing A&M as

¹ As described below, substantially all of the assets of the UK Parent were purchased by the UK Purchaser. The UK Purchaser is now operating under “The Body Shop International Limited” name and the UK Parent changed its name to TBSI Realisations Limited.

² Tony Wright, Geoff Rowley, and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the “**UK Administrator**”).

-4-

the Court-appointed monitor of TBS Canada (the “**Monitor**”), and granting a stay of proceedings until October 8, 2024;

6. On July 5, 2024 this Court also made an order that, among other things, approved a sale process to identify one or more purchasers of the Company, its business or assets (the “**Sale Process**”);

7. The Sale Process is underway and TBS Canada has made arrangements to acquire inventory from the UK Purchaser to maintain ordinary course operations for the remainder of the year and, importantly, while the Sale Process is ongoing;

8. TBS Canada seeks a declaration that the UK Purchaser is a critical supplier and entitled to a charge to secure the purchase price for the inventory;

9. TBS Canada is seeking an extension of the Stay Period until December 13, 2024 to allow it time to complete the Sale Process and finalize and implement any transaction resulting therefrom;

The UK Sale Process

10. In May 2024, a sale process in the United Kingdom was commenced seeking a buyer for the business and assets of the UK Parent (the “**UK Sale Process**”);

11. On September 6, 2024, it was announced that the UK Purchaser had successfully acquired the assets of the UK Parent, including its inventory and the right to use “The Body Shop International Limited” name (the “**UK Transaction**”);

-5-

12. The closing of the UK Transaction has not affected TBS Canada's activities. TBS Canada remains operational as it has been since the start of the NOI process, adhering to its established practices. This includes the continued sale of "The Body Shop" products and the ongoing back-office support provided by the UK Parent, and subsequently, by the UK Purchaser;

Sales Process

13. The Sale Process in Canada was designed having regard to the interconnected nature of TBS Canada and the UK Parent and the timing of the UK Sale Process;

14. The bid deadline for the Sale Process could not be determined until a purchaser had been identified in the UK Sale Process as this would clarify whether the Company would remain a subsidiary of the UK Parent or if a new owner of the UK Parent would allow a new operator of TBS Canada to license "The Body Shop" intellectual property for use in Canada;

15. The UK Purchaser has advised that the majority of the global territories that previously operated as directly owned subsidiaries of the UK Parent, including TBS Canada, would be converted into independent franchise markets;

16. On September 6, 2024, once the closing of the UK Transaction had been announced, the Monitor sent a process letter to parties that had approached, among others, the Company, the Monitor, the UK Parent or the UK Administrator indicating an interest in the Company, or its business or assets, and the service list for this CCAA proceeding;

-6-

17. The process letter establishes and communicates the following key milestones for the Sale Process:

Milestone	Deadline
Bid Deadline	5:00 pm EST on Tuesday, October 8, 2024 (the “ Bid Deadline ”)
Selection of a Successful Bid	Friday, October 11, 2024, or such later date as may be determined by the Company, in consultation with the Monitor
Outside Date	Friday, November 15, 2024

18. The key milestones were established with a view to allowing interested parties enough time to engage with the UK Purchaser and establish the terms of a franchise arrangement;

19. TBS Canada and the Monitor continue to advance the Sale Process, aiming to settle a going-concern transaction for the Company’s business;

B. Relief Sought on the Motion

Critical Supplier Declaration and Charge

20. TBS Canada is seeking an order (a) declaring that the UK Purchaser is a critical supplier, and (b) granting a charge in favour of the UK Purchaser over certain inventory, to secure the outstanding purchase price for such inventory. As more particularly described below, this declaration and charge are needed to facilitate the Company’s inventory replenishment efforts;

-7-

21. Historically, TBS Canada sourced its inventory from the UK Parent and TBS Canada's U.S. affiliate, Buth-Na-Bodhaige Inc. ("**TBS US**") via a distribution centre that was owned and operated by TBS US (the "**US Distribution Centre**");

22. As at September 20, 2024, approximately \$20 million (retail value) of inventory remained at the US Distribution Centre (the "**Remaining Inventory**"), which had been acquired by the UK Purchaser as part of the UK Transaction;

23. In order to secure a continued flow of inventory and ensure that TBS Canada is appropriately stocked throughout the Sale Process, TBS Canada, with the assistance of the Monitor, entered into an agreement with the UK Purchaser to purchase the Remaining Inventory on the following terms:

- (a) TBS Canada will pay 50% of the purchase price for the Remaining Inventory on or about the timing such inventory begins to ship to TBS Canada;
- (a) Fifteen days after the final shipment of the Remaining Inventory to TBS Canada, the Company is required to pay the UK Purchaser an amount equal to 10% of the purchase price for the Remaining Inventory;
- (b) The remaining 40% of the purchase price payable by TBS Canada for the Remaining Inventory (approximately \$1,500,000) is due on November 29, 2024 (the "**Outstanding Purchase Price**"); and
- (c) TBS Canada is required to secure the Outstanding Purchase Price pursuant to a Court-ordered charge in favour of the UK Purchaser over the

-8-

Remaining Inventory up to the maximum amount of \$1,500,000 (the **“Critical Supplier Charge”**);

24. As a result of these efforts, TBS Canada is expected to maintain adequate merchandise levels to sustain operations throughout the holiday season and into the first quarter of 2025. This stability will enable TBS Canada to further progress the Sale Process and assure Interested Parties that they can smoothly transition the Company’s business if a sale transaction is finalized;

Ranking of the Critical Supplier Charge

25. The following parties have security registrations against TBS Canada and will be served with this motion:

(a) Enterprise Fleet Management Canada, Inc. (the **“Enterprise Security”**);
and

(b) HSBC Bank Canada and HongKong Bank of Canada (the **“RBC Registrations”**);

26. The Critical Supplier Charge would rank behind the Administration Charge, the D&O Charge and the KERP Charge (each as defined in the Initial Order). The Critical Supplier Charge would rank ahead of the RBC Registrations but behind the Enterprise Security;

27. The Monitor is in support of declaring the UK Purchaser a critical supplier and the Critical Supplier Charge;

Extension of the Stay Period

28. TBS Canada is seeking an extension of the Stay Period until December 13, 2024;
29. The objective of the CCAA proceeding is to facilitate a going concern solution for TBS Canada;
30. The extension of the Stay Period will provide TBS Canada with the requisite time to continue the Sale Process, engage with Interested Parties, and negotiate a franchise or similar arrangement to sustain “The Body Shop” business in Canada;
31. TBS Canada has and intends to continue to work in good faith and with due diligence in the period prior to and during this CCAA Proceeding;
32. An updated cash flow forecast, prepared with the proposed Monitor’s assistance, projects sufficient liquidity to operate until the end of the requested extension of the Stay Period;
33. The Monitor is supportive of the proposed extension of the Stay Period;

C. Other Grounds

34. The provisions of the CCAA, including sections 2(1), 3(1), 10(2), 11.02, 11.4, 11.51, 11.52 and the statutory, inherent and equitable jurisdiction of this Court;
35. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

-10-

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

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

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

- (a) The Affidavit #6 of Jordan Searle sworn September 25, 2024 and the Exhibits referred to therein;
- (b) The First Report of the Monitor and the Appendices attached thereto; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

-11-

September 25, 2024

DAVIES WARD PHILLIPS & VINEBERG LLP
155 Wellington Street West
Toronto ON M5V 3J7

Natalie Renner (LSO# 55954A)
Tel: 416.367.7489
Email: nrenner@dwpv.com

Natasha MacParland (LSO# 42383G)
Tel: 416.863.5567
Fax: 416.863.0871
Email: nmacParland@dwpv.com

Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for The Body Shop Canada
Limited

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

NOTICE OF MOTION

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

Natasha MacParland (LSO# 42383G)

Email: nmacParland@dwpv.com

Tel: 416.863.5567

Lawyers for the Applicant,
The Body Shop Canada Limited

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

**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

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**”)

**AFFIDAVIT #6 OF JORDAN SEARLE
Sworn September 25, 2024**

I, Jordan Searle, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am the General Manager and the sole director of The Body Shop Canada Limited (“**TBS Canada**” or the “**Company**”). I have been the General Manager since February 10, 2023. I am also a former officer and director of TBS Canada’s U.S. affiliate, Buth-Na-Bodhaige Inc. (“**TBS US**”). I have been actively engaged in the discussions and negotiations surrounding the financial circumstances of TBS Canada since prior to the commencement of these proceedings. As such I have personal knowledge of the matters referred to in this Affidavit. Where I have relied upon other sources of information, I have stated the source of that information and verily believe such information to be true.

2. I swear this Affidavit in support of a motion by TBS Canada for an Order, among other things:

- (a) extending the Stay Period (as defined below) to December 13, 2024;
- (b) declaring the UK Purchaser (as defined below) a critical supplier to TBS Canada; and
- (c) declaring that certain of TBS Canada's inventory is subject to a charge in favour of the UK Purchaser up to the amount of \$1,500,000.

BACKGROUND AND OVERVIEW

3. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products under the "The Body Shop" brand.

4. TBS Canada and TBS US, wholly owned subsidiaries of TBSI Realisations Limited (formerly The Body Shop International Limited)¹ (the "**UK Parent**"), have historically relied on the UK Parent for several accounting and cash management services. These services were provided pursuant to a cash management system and cash pooling arrangement. TBS Canada also licensed the use of the "The Body Shop" brand in Canada from the UK Parent.

¹ As described below, the UK Purchaser acquired the rights to "The Body Shop International Limited" name and the UK Parent has changed its name to TBSI Realisation Limited.

5. TBS Canada found itself in a liquidity crisis when the UK Parent unexpectedly filed for administration in the United Kingdom on February 13, 2024 (the “**UK Administration**”)² and failed to remit payment for amounts owing to certain of the Company’s creditors. This sudden and unannounced cessation of funds resulted in a severe liquidity crisis for TBS Canada, effectively halting all financial support for the Company and its operations within Canada.

6. On March 1, 2024, TBS Canada filed a notice of intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3. Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed to act as the proposal trustee.

7. On March 8, 2024, TBS US commenced proceedings under chapter 7 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “**Chapter 7 Proceeding**”). Mr. Kenneth Silverman from Rimon P.C. has been appointed as the trustee for TBS US in the Chapter 7 Proceeding (the “**Chapter 7 Trustee**”).

8. On July 5, 2024 (the “**Filing Date**”), an order (the “**Initial Order**”) was made, among other things:

² Tony Wright, Geoff Rowley, and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the “**UK Administrator**”).

- (a) converting the NOI proceeding to a proceeding under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), as amended;
- (b) appointing A&M as the Court-appointed monitor of TBS Canada (in such capacity, the "**Monitor**"); and
- (c) providing for a stay of proceedings in respect of TBS Canada up to and including October 8, 2024 (the "**Stay Period**").

9. An order was also made on July 5, 2024 that, among other things, approved a sale process to identify one or more purchasers of the Company, its business or assets (the "**Sale Process**").

10. As more particularly described below, the Sale Process is underway and the deadline for parties to submit bids is October 8, 2024.

11. TBS Canada has made arrangements to acquire inventory from the UK Purchaser to maintain ordinary course operations for the remainder of the year and, importantly, while the Sale Process is ongoing. TBS Canada seeks a declaration that the UK Purchaser is a critical supplier and entitled to a charge to secure the purchase price for the inventory.

12. TBS Canada is seeking an extension of the Stay Period until December 13, 2024 to allow it time to complete the Sale Process and finalize and implement any transaction resulting therefrom.

13. The purpose of this Affidavit is to provide the Court with information on:

- (a) activities of TBS Canada since the Filing Date;
- (b) the sale process to sell the business and assets of the UK Parent (the “**UK Sale Process**”) and the UK Administration;
- (c) TBS Canada’s efforts to pursue a going concern solution through the Sale Process;
- (d) updates on stakeholder matters;
- (e) TBS Canada’s inventory replenishment efforts and request for a critical supplier declaration and related charge; and
- (f) TBS Canada’s request to extend the Stay Period.

TABLE OF CONTENTS

A.	ACTIVITIES SINCE THE FILING DATE.....	7
	(i) Leases	7
	(ii) Shared IT Services	8
	(iii) Storage and Logistics	9
B.	THE UK SALE PROCESS AND THE UK ADMINISTRATION.....	11
	(i) The UK Sale Process.....	11
	(ii) The UK Administration	13
C.	THE CANADIAN SALE PROCESS	14
D.	UPDATES ON STAKEHOLDER MATTERS.....	18
	(i) Employee Matters	18
	(ii) Aurelius Security	20
E.	RELIEF SOUGHT.....	21
	(i) Critical Supplier and Critical Supplier Charge	21
	(ii) Extension of the Stay Period.....	26
F.	CONCLUSION.....	27

A. ACTIVITIES SINCE THE FILING DATE

14. Since the Filing Date, TBS Canada has acted in good faith and made diligent efforts to continue to stabilize its operations and preserve enterprise value, all with the goal of facilitating a going concern sale. These efforts are more particularly described below.

(i) Leases

15. TBS Canada currently operates 71 leased stores across Canada (other than Quebec and the Territories). TBS Canada also holds leases for storage areas adjacent to certain of its stores and for its head office located in Toronto.

16. On July 25, 2024, TBS Canada received a notice that its lease for the CF Polo Park shopping centre in Winnipeg, Manitoba, which had been continuing on a month-to-month basis since January 31, 2024, would be terminated effective August 31, 2024. On August 9, 2024, TBS Canada entered into a short-term lease agreement for a new location within the CF Polo Park shopping centre. The lease expires on March 16, 2025 and is on favourable economic terms as compared to the lease for the original CF Polo Park location.

17. TBS Canada, with the assistance of the Monitor, also negotiated short-term renewals of the Company's leases in respect of six of its storage locations located in Vaughan Mills, Sevenoaks Shopping Centre, Royalty Cross, Guildford Town Centre, Market Mall and CrossIron Mills. The lease renewals range from six months to a year and

represent modest rent increases. If TBS Canada was unable to renew the leases for the aforementioned locations, it would have been required to source new storage locations on less favourable terms.

(ii) Shared IT Services

18. The UK Parent has historically been in full control of several functions of TBS Canada, including certain information technology services critical to the operations of TBS Canada (the “**Shared Services**”). The Shared Services are provided pursuant to an agreement for the provision of services by and between the UK Parent and TBS Canada dated November 16, 2016, a copy of which is attached to my Affidavit as **Exhibit “A”**.

19. The UK Parent engaged Lumen Technologies UK Limited to provide TBS Canada with certain information technology services pursuant to a Master Service Agreement dated July 11, 2019 (the “**Master Services Agreement**”).

20. Historically, TBS Canada would “pay” the UK Parent for the IT services through intercompany transactions that would be recorded on a monthly basis to settle the amounts owing from TBS Canada to the UK Parent for Shared Services and other costs, including inventory.

21. TBS Canada has not paid the UK Parent for IT or other Shared Services since the commencement of the UK Administration on February 14, 2024, but the UK Parent continued to provide TBS Canada with IT services through the Master Services Agreement.

22. In September 2024, TBS Canada entered into a Service Transfer Agreement with the UK Parent whereby the UK Parent agreed to transfer the Master Services Agreement to TBS Canada. The Service Transfer Agreement and Master Services Agreement are attached to my Affidavit as **Exhibit “B”**.

23. The Service Transfer Agreement provides that the payments under the Master Services Agreement are payable in USD and retroactive to February 13, 2024, the date the UK Administration was commenced. TBS Canada is not responsible for any obligations of the UK Parent to Lumen Technologies UK Limited under the Master Services Agreement prior to February 13, 2024.

24. The IT services are critical to the continuing operation of the Company’s store network. TBS Canada could not find an alternate service provider without risking business interruption.

(iii) Storage and Logistics

25. As described in prior Affidavits and below, TBS Canada historically sourced its inventory from a distribution centre that was owned and operated by TBS US (the “**US Distribution Centre**”). Until the commencement of the Chapter 7 Proceeding, TBS US managed the storage, freight and logistics for the Company’s inventory orders.

26. In April 2024, the Company engaged National Logistics Services Inc. (“**National Logistics**”) as a third party logistics and warehousing service to facilitate the delivery and storage of merchandise for TBS Canada’s stores.

27. On September 20, 2024, TBS Canada and National Logistics entered into a letter agreement to memorialize the terms of their arrangement, which is attached to my Affidavit as **Exhibit “C”**. The key terms of the letter agreement are as follows:

- (a) National Logistics agrees to provide storage, freight and handling services for TBS Canada;
- (b) National Logistics agrees that any inventory or other assets it stores are the property of TBS Canada;
- (c) TBS Canada has provided a deposit in the amount of \$80,000 to apply against any monthly payment that is unpaid;
- (d) National Logistics agrees that the deposit remains the property of the Company; and
- (e) The agreement terminates on (a) January 31, 2024, (b) mutual agreement, or (c) following the closing of a going-concern sale for the Company's assets. National Logistics is required to return any unused balance of the deposit to TBS Canada upon termination of the agreement.

28. The services offered by National Logistics are essential to the continuous operations of the Company and its capacity to stock and manage its stores effectively.

B. THE UK SALE PROCESS AND THE UK ADMINISTRATION

(i) The UK Sale Process

29. On May 20, 2024, the UK Administrator commenced a sale process for the sale of the business and assets of TBS International (the “**UK Sale Process**”). Initially, TBS Canada was advised that offers were expected in early June, 2024, with a target completion date of June 27, 2024.

30. MacFarlanes LLP, TBS Canada’s UK counsel, advised that although June 27 was a deadline that the UK Administrator had set and communicated to creditors, depending on the circumstances, the UK Administrator could opt to defer the deadline if they determined it could result in a better outcome for creditors as a whole in accordance with their duties.

31. On or about July 17, 2024, the UK Administrator announced that they had selected a consortium bid led by Aurea Group (now The Body Shop International Limited) (the “**UK Purchaser**”) as a preferred bidder for the UK Parent and had entered into an exclusivity period to enable the UK Purchaser to complete their due diligence. Attached as **Exhibit “D”** is a copy of the announcement that was sent to TBS Canada.

32. Aurea Group is a private capital firm that invests in the beauty, wellness and cosmetic sectors. The management team is led by beauty industry veteran Charles Denton who has deep experience in transforming heritage beauty and cosmetic brands

(Molton Brown and Erno Laszlo) into modern fast growing viable businesses with sustainable growth models.

33. The UK Administrator emphasized in their July 17 announcement that the transaction was not yet finalized and that a period of final diligence and negotiations was underway. At the time, the UK Administrator projected they would complete a sale (the “**UK Transaction**”) by late July or early August.

34. TBS Canada and the Monitor were in regular contact with the UK Administrator during the UK Sale Process. After entering into an exclusivity period with the UK Purchaser, the UK Administrator advised TBS Canada that the UK Purchaser would not be acquiring the *shares* of TBS Canada but instead would prefer to continue the Canadian business and operations through a franchise arrangement, with a new franchise partner that would need to be identified.

35. The UK Purchaser advised that this was consistent with their general approach, and that with the exception of certain operating territories (i.e., the United Kingdom), the majority of the global territories that previously operated as directly owned subsidiaries of the UK Parent would be converted into independent franchise markets.

36. In the weeks that followed, TBS Canada and the Monitor continued to be in regular contact with the UK Administrator to gain visibility into when the UK Transaction would close. I understand that it took the UK Administrator and the UK Purchaser longer than anticipated to settle commercial terms and close the UK Transaction.

37. On September 6, 2024, it was announced that the UK Purchaser had successfully acquired the assets of the UK Parent and that the UK Transaction has closed. As part of the UK Transaction, the UK Purchaser acquired “The Body Shop International Limited” name and the inventory owned by the UK Parent. The UK Parent is now operating under the name “TBSI Realisations Limited”.

38. The completion of the UK Transaction has not impacted TBS Canada's operations. TBS Canada continues to function as usual, maintaining the same operational practices it has followed since the initiation of the NOI proceeding. This includes the ongoing sale of “The Body Shop” products and the receipt of back-office support from the UK Parent (and following the closing, from the UK Purchaser).

(ii) The UK Administration

39. On September 12, 2024, the UK Administrator issued a progress report for the period of February 13, 2024 to August 12, 2024, which is attached to my Affidavit as **Exhibit “E”**.

40. In the report, the UK Administrator reports on the UK Transaction and the anticipated exit strategy for the UK Administration. The UK Administrator also reports that there will be a distribution to unsecured creditors and that while they cannot confirm the exact amount or timing of the proposed distribution, they estimate it will be no less than 15 pence to the pound.

41. As described in my prior Affidavits, on May 17, 2024, the Company submitted a proof of debt setting out its claim against the UK Parent in the minimum amount of \$44,015,347.21 (£25,770,985.79) for, among other things, intercompany receivables. The UK Parent has not admitted or rejected the claim filed by TBS Canada.

C. THE CANADIAN SALE PROCESS

42. The Sale Process and the procedures for the Sale Process are attached as **Exhibit “F”** to my Affidavit.

43. The Sale Process was designed having regard to the interrelated nature of TBS Canada and the UK Parent. Importantly, TBS Canada does not own the "The Body Shop" trademark or intellectual property, but rather licenses the right to sell "The Body Shop" products under the Franchise Agreement.

44. The Sale Process provides, in part, that:

- (a) the bid deadline (the “**Bid Deadline**”) will not be established until *after* a purchaser has been identified in the UK Sale Process and there is clarity regarding whether the Company will remain a subsidiary of the UK Parent or if the new owner of the UK Parent or its assets will provide the opportunity for a new operator to license the “The Body Shop” intellectual property for continued use in Canada; and

- (b) once the purchaser has been identified in the UK Sale Process, the Monitor would send a process letter (the “**Process Letter**”) to, among others, those parties that had approached the Company, the Proposal Trustee, the Monitor, the UK Parent or the UK Administrator indicating an interest in the Company, or its business or assets (“**Interested Parties**”) advising of the Bid Deadline.

45. As described above, while the selection of the UK Purchaser was announced on or about July 17, 2024, the terms of the UK Transaction were subject to ongoing negotiation and diligence and were not settled until September 6, 2024.

46. In the weeks between July 17 and September 6, 2024, while the UK Transaction was being finalized, the Monitor and TBS Canada took the following actions to advance the Sale Process:

- (a) engaging with and contacting a number of retail and turnaround focused investors and other Interested Parties;
- (b) settling the terms of non-disclosure agreements with Interested Parties and providing them with certain marketing materials, financial information and access to an electronic data room containing confidential information in respect of TBS Canada, the business and its assets;

- (c) preparing a form of asset purchase agreement and posting the form of agreement to the electronic data room;
- (d) arranging for meetings between Interested Parties and members of TBS Canada's management and the UK Purchaser; and
- (e) engaging with the UK Parent's franchise team, the UK Purchaser and Interested Parties on the terms of a potential franchise arrangement, including providing Interested Parties with a template franchise agreement and business planning model that each current franchisee of the UK Parent maintains for their local market.

Process Letter and Key Dates

47. On September 6, 2023, when TBS Canada and the Monitor received confirmation that the terms of the UK Transaction had been settled, the Monitor sent the Process Letter to the Interested Parties and the service list for this CCAA Proceeding. The Monitor also posted the Process Letter on the website it maintains for this proceeding and placed an announcement with Insolvency Insider. Attached to my Affidavit as **Exhibit "G"** is a copy of the Process Letter, email to the service list attaching same and announcement placed in Insolvency Insider.

48. The Process Letter establishes and communicates the following key milestones for the Sale Process:

Milestone	Deadline
Bid Deadline	5:00 pm EST on Tuesday, October 8, 2024
Selection of a Successful Bid	Friday, October 11, 2024, or such later date as may be determined by the Company, in consultation with the Monitor
Outside Date	Friday, November 15, 2024

49. In order for a bid to be a “Qualified Bid” in the Sale Process, the bid must describe any franchise arrangement or similar arrangement with the UK Purchaser in respect of the right of the Interested Party to use the “The Body Shop” brand.

50. The key milestones were established with a view to allowing an Interested Party enough time to engage with the UK Purchaser and establish the terms of any such franchise arrangement.

51. TBS Canada and the Monitor continue to advance the Sale Process and engage with Interested Parties and the UK Purchaser with the goal of settling the terms of a going-concern transaction for the Company’s business.

D. UPDATES ON STAKEHOLDER MATTERS

(i) Employee Matters

52. TBS Canada currently employs approximately 506 individuals in Canada and has engaged approximately 7 independent contractors in the United States.³ As of March 1, 2024, the date the NOI proceeding was commenced, TBS Canada employed 784 individuals across Canada but the Company made certain headcount reductions in connection with the closure of 33 underperforming stores.

53. On August 9, 2024, Ms. Abir Shamim of Koskie Minsky LLP, counsel for certain former employees of TBS Canada, emailed Davies Ward Phillips & Vineberg, LLP (“**Davies**”), TBS Canada’s Canadian counsel. She referenced certain media reports which indicated that the UK Transaction did not include Canadian Assets. Ms. Shamim sought clarification on the implication of the UK Transaction for TBS Canada and requested updates on the Sale Process. The email is attached to my Affidavit as **Exhibit “H”**.

54. In the email, Ms. Shamim suggested that “Given its exclusion from the Aurea purchase, we feel TBS Canada, like TBS France, should make an assignment in

³ The US-based independent contractors were formerly employed by TBS US. They provided shared services to TBS Canada and were deemed necessary to the ongoing operations of TBS Canada.

bankruptcy. This approach will have a beneficial impact on terminated employees by ensuring they can apply for a WEPP payment.”

55. On August 15, 2024, Natalie Renner of Davies, replied with the letter attached as **Exhibit “I”** to my Affidavit. In the letter, Ms. Renner explained, among other things, that (a) the UK Parent did not own the assets of TBS Canada and thus, the UK Transaction could not include the assets of the Company, (b) the Sale Process was ongoing and a bid process letter would be distributed in due course to the service list, which bid process letter was expected to provide stakeholders with the latest information regarding the Sale Process, and (c) if TBS Canada filed for bankruptcy, it would cause significant prejudice to its approximately 600 employees and independent contractors and various landlords, among others.

56. On September 19, 2024, following delivery of the Process Letter, Ms. Renner sent a follow up email to Ms. Shamim, which is attached to my Affidavit as **Exhibit “J”**. In her email, Ms. Renner invited Ms. Shamim to ask any questions regarding the Process Letter, which had not been sent at the time of Ms. Renner’s August 15 letter.

57. I understand from Davies, that they had a call with Koskie Minsky and Cassels Brock & Blackwell LLP, counsel for the Monitor, on September 25, 2024 to discuss the Sale Process.

(ii) **Aurelius Security**

58. As previously described to this Court, Aurelius IV UK Acquico Seven Limited (“**Aurelius Seven**”) entered into a loan agreement (the “**Aurelius Loan Agreement**”) with the UK Parent, pursuant to which GBP £2,720,741.98 was made available to the UK Parent on a secured basis to assist with the funding of the acquisition of the UK Parent in December 2023.

59. The obligations of the UK Parent under the Aurelius Loan Agreement are guaranteed by TBS Canada on a secured basis. The (a) guarantee and indemnity agreement (the “**Guarantee**”), (b) security agreement signed by TBS Canada, and (c) hypothec (collectively, the “**Canadian Security**”) in this regard are attached to my Affidavit as **Exhibit “K”**.

60. On September 7, 2024, Aurelius Seven signed a release in favour of TBS Canada and the UK Parent whereby it released all security granted in its favour in relation to the monies that were advanced to the UK Parent, including the Canadian Security (the “**Aurelius Release**”). Attached to my Affidavit as **Exhibit “L”** is a copy of the Aurelius Release.

61. The security registrations in each province and territory of Canada against the Company in favour of Aurelius Seven were discharged in the weeks following delivery of the Aurelius Release.

62. The Aurelius Release does not release the Company from its obligations under the Guarantee. However, TBS Canada's obligations under the Guarantee become enforceable only after Aurelius Seven issues a demand to the Company. As of now, the Company has not received any such demand.

E. RELIEF SOUGHT

(i) Critical Supplier and Critical Supplier Charge

63. TBS Canada is seeking an order (a) declaring that the UK Purchaser is a critical supplier, and (b) granting a charge in favour of the UK Purchaser over certain inventory, to secure the outstanding purchase price for such inventory. As more particularly described below, this declaration and charge are needed to facilitate the Company's inventory replenishment efforts.

Inventory Replenishment Efforts

64. The UK Parent was the Company's exclusive supplier of inventory. As described in my prior Affidavits, TBS Canada is party to a Selective Master Distribution & Franchise Agreement with TBS International, pursuant to which the Company has the right to purchase inventory from the UK Parent and sell "The Body Shop" branded items. The UK Purchaser has now acquired those rights and has continued the relationship with TBS Canada.

65. Historically, TBS Canada sourced its inventory from the UK Parent and TBS US via the US Distribution Centre. However, the UK Administration and Chapter 7 Proceeding disrupted TBS Canada's ability to replenish its inventory from the US Distribution Centre in the ordinary course.

66. Since the commencement of the NOI proceedings, TBS Canada and the Monitor have undertaken several initiatives to source and replenish over \$40 million (at retail value) worth of inventory from the UK Parent from various locations, including the US Distribution Centre and certain closed TBS US stores. To facilitate these efforts, TBS Canada entered into a real estate license arrangement with the Chapter 7 Trustee to access inventory stored in the US Distribution Centre (the "**License Arrangement**").

67. The License Arrangement is set to expire on September 30, 2024. However, the License Arrangement includes a provision that allows either party to terminate the agreement with five business days prior notice.

68. The Chapter 7 Trustee has sold the US Distribution Centre. I understand that as at September 20, 2024, approximately \$20 million (retail value) of inventory remained at the US Distribution Centre (the "**Remaining Inventory**"), which was purchased by the UK Parent as part of the UK Transaction.

69. On September 5, 2024, the Chapter 7 Trustee filed a motion returnable September 26, 2024 (the "**Chapter 7 Motion**") for an order deeming all of the property, including the Remaining Inventory, at the US Distribution Centre to be abandoned to TBS

US and authorizing the Chapter 7 Trustee to dispose of such property. The Chapter 7 Motion is attached to my Affidavit as **Exhibit “M”**.

Need for the Critical Supplier Charge

70. Throughout the NOI proceeding and this CCAA proceeding, the Company would pay and fulfill its inventory orders on an as-needed basis, having regard to its cash-flow. Due to the sale of the US Distribution Centre and the Chapter 7 Motion however, all of the Remaining Inventory needed to be removed from the premises promptly.

71. In order to secure a continued flow of inventory and ensure that TBS Canada was appropriately stocked throughout the Sale Process, TBS Canada and the Monitor entered into negotiations with the UK Purchaser to purchase the Remaining Inventory.

72. On September 20, 2024, the UK Purchaser agreed to sell all of the Remaining Inventory to TBS Canada. At this time however, TBS Canada did not have sufficient liquidity to pay the UK Purchaser in full for the Remaining Inventory. As a result, the UK Purchaser agreed as follows:

- (a) TBS Canada, at its own cost, will arrange for the transportation of the Remaining Inventory to National Logistics, the Company's third-party warehouse located in Canada, in exchange for a payment in an amount equal to 50% of the purchase price for the Remaining Inventory payable to the UK Purchaser;

- (b) Fifteen days after the final shipment of the Remaining Inventory is delivered to National Logistics, TBS Canada is required to pay the UK Purchaser an amount equal to 10% of the purchase price for the Remaining Inventory;
- (c) The remaining 40% of the purchase price payable by TBS Canada for the Remaining Inventory (approximately \$1,500,000) is due on November 29, 2024 (the “**Outstanding Purchase Price**”); and
- (d) TBS Canada is required to secure the Outstanding Purchase Price pursuant to a Court-ordered charge in favour of the UK Purchaser over the Remaining Inventory up to the maximum amount of \$1,500,000 (the “**Critical Supplier Charge**”).

73. Commencing September 23, 2024, TBS Canada started transporting the Remaining Inventory from the US Distribution Centre to National Logistics, a process that is anticipated to take approximately one to two weeks.

74. The Chapter 7 Trustee is supportive of the Company’s efforts to remove the Remaining Inventory from the US Distribution Centre. Certain non-sellable inventory and personal protective equipment remains at the US Distribution Centre, which the UK Purchaser has advised should be destroyed, with such process to be facilitated with assistance from TBS Canada and consent from the Chapter 7 Trustee.

75. As a result of these efforts, TBS Canada is expected to maintain adequate merchandise levels to sustain operations throughout the holiday season and into the first quarter of 2025. This stability will enable TBS Canada to further progress the Sale Process and assure Interested Parties that they can smoothly transition the Company's business if a sale transaction is finalized.

Priority of the Critical Supplier Charge

76. The following parties have security registrations against TBS Canada: (a) Enterprise Fleet Management Canada, Inc. (the "**Enterprise Security**") and (b) HSBC Bank Canada and Hong Kong Bank of Canada (which have now been acquired by the Royal Bank of Canada) (collectively, the "**RBC Registrations**"). Aurelius Seven previously held registrations in every territory and province in Canada but they were discharged when Aurelius Seven released the security granted by the Company.

77. As described in prior Affidavits, the Enterprise Security relates to corporate vehicles that are leased by the Company for certain employees. I do not believe there are any amounts owing to RBC in connection with the RBC Registrations.

78. If granted, the Critical Supplier Charge will rank behind the Administration Charge, the D&O Charge, the KERP Charge (each as defined in the Initial Order) and Enterprise Security, but ahead of RBC Registrations.

79. Enterprise Fleet Management Canada, Inc. and the Royal Bank of Canada will receive notice of this motion.

(ii) Extension of the Stay Period

80. TBS Canada is seeking an extension of the Stay Period until December 13, 2024.

81. As explained herein, the objective of the CCAA proceeding is to facilitate a going concern solution for TBS Canada. The extension of the Stay Period will provide TBS Canada the time to continue to implement the Sale Process, engage with Interested Parties and facilitate the negotiation of a franchise or similar arrangement between Interested Parties, all with the goal of continuing the “The Body Shop” business in Canada.

82. TBS Canada has worked, and will continue to work, in good faith and with due diligence in the period prior to and during the Stay Period. The Company has, among other things, engaged with its stakeholders, secured inventory for its operations and meaningfully progressed the Sale Process.

83. The Company has prepared an updated cash flow forecast with the assistance of the proposed Monitor, which sets out the projected cash flows for the period ending December 13, 2024 (the “**Updated Cash Flow**”). The Updated Cash Flow shows that TBS Canada has sufficient liquidity to operate to the end of the requested Stay Period

extension. I understand that the Updated Cash Flow will be appended to the report of the Monitor filed in support of this motion.

F. CONCLUSION

84. I believe the relief requested on this motion is in the best interest of the Company and its stakeholders and will ensure that TBS Canada can continue to operate as a going concern while it continues the Sale Process.

85. I am of the view that TBS Canada is acting in good faith and with due diligence in seeking the relief sought on this motion and that if granted, the relief will not prejudice any of the Company's creditors.

SWORN remotely by Jordan
Searle at the City of Vancouver, in the
Province of British Columbia, before
me on the 25th day of September,
2024 in accordance with O. Reg
431/20, Administering Oath or
Declaration Remotely.

Jason Stephanian

Jason Stephanian

Jordan Searle

Jordan Searle

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

**AFFIDAVIT OF JORDAN SEARLE
 SWORN SEPTEMBER 25, 2024**

DAVIES WARD PHILLIPS & VINEBERG LLP
 155 Wellington Street West
 Toronto ON M5V 3J7

Natasha MacParland (LSO# 42383G)
 Tel: 416.863.5567
 Email: nmacparland@dwpv.com

Natalie Renner (LSO# 55954A)
 Tel: 416.367.7489
 Email: nrenner@dwpv.com

Lawyers for The Body Shop Canada Limited

This is Exhibit "A" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

Agreement for the Provision of Services

The Body Shop International plc
TBSI

&

The Body Shop Canada Limited
Customer

This Agreement is made this 16th day of November 2016, by and between

1. **THE BODY SHOP INTERNATIONAL PLC**, a corporation existing under the laws of England and Wales, with registered address at Watersmead, Littlehampton, West Sussex BN17 6LS (hereinafter "TBSI"), and
2. **The Body Shop Canada Limited**, a corporation existing under the laws of Canada with registered address at 155 Wellington Street West, Toronto, ON M5V 3J7, Canada (hereinafter "Customer"),

Whereas

- A. TBSI entered into a Franchise Agreement with Customer with effective date of 13/5/2012 whereby BSI granted Customer certain franchise rights in respect of the territory of Canada (the "Franchise Agreement");
- B. Pursuant to the Franchise Agreement, Customer is required to perform certain obligations as franchisee;
- C. Customer lacks certain administrative and management resources to allow it to fully carry out its obligations as a franchisee of BSI;
- D. The parties have agreed that TBSI may provide certain services to Customer to enable Customer to meet its obligations under the Franchise Agreement.

This agreement witnesses that, in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1. Interpretation

Sections & Headings

- 1.1. The division of this Agreement into Articles, Sections and Schedules and the insertion of headings and an index are for convenience of reference only and shall not affect the construction or the interpretation of this Agreement. Unless otherwise specified herein, any reference in this Agreement to an Article, Section or Schedule refers to the specified Article or Section of or Schedule to this Agreement. In this Agreement, the terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular part, Article, Section, subsection, paragraph or other provision hereof.

Rules of Construction

- 1.2. Unless the context otherwise requires, in this Agreement (including the recitals and schedule hereto), terms used herein that are defined in the Franchise Agreement shall, unless the context otherwise requires, have the meanings set out in the Franchise Agreement:
 - 1.2.1. words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine and neuter genders and *vice versa*;
 - 1.2.2. the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation";

- 1.2.3. reference to any agreement, indenture or other instrument in writing means such agreement, indenture or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- 1.2.4. reference to any statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time;
- 1.2.5. if there is any conflict or inconsistency between the provisions contained in the body of this Agreement and those of any Schedule, the provisions contained in the body of this Agreement shall prevail;
- 1.2.6. time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- 1.2.7. whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.

2. Entire Agreement

This Agreement and the Franchise Agreement constitute the entire agreement between the parties or their respective affiliates with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, between such parties, particularly the agreement of 27/2/2006. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

3. Applicable Law

This Agreement will be governed by and construed under the laws of England and Wales without regard to conflicts-of-laws principles that would require the application of any other law.

4. Appointment of TBSI in relation to certain Services

- 4.1. Subject to such limitations as may be imposed by law or this Agreement, TBSI shall be authorised and empowered to carry out certain services to assist Customer in the operation and management of its franchise operations and obligations as set out herein at clause 5 below or as may be otherwise agreed between the parties from time to time and as shall be set out and detailed on monthly invoices issued by TBSI to Customer, such services generally being concerned with the administration and management of Customer.
- 4.2. TBSI shall perform its services hereunder in the manner in which Customer deems necessary or appropriate.
- 4.3. Except as expressly set forth in Section 4.1 above, without the prior written authority of the Board of Directors of Customer, TBSI shall not have the authority to take any other action on behalf of Customer.
- 4.4. TBSI shall exercise the authority granted in Section 4.1, in each case at such times and upon such terms and conditions, as Customer deems necessary or appropriate.
- 4.5. In consideration of the performance by TBSI of the services set forth herein, Customer shall pay to TBSI a fee as follows:

- 4.5.1. 5% on internal costs incurred to provide services to Customer i.e. on value added services. These intend to cover situations where an employee or team of TBSI is spending time on performing a service for Customer, e.g. a team providing bookkeeping services or a shared HR manager looking after the human resource affairs of Customer;
- 4.5.2. actual third party external costs plus 1% thereon passing through (the 1% margin being intended to cover the administrative processing of the invoicing);
- 4.5.3. 0% on re-invoicing of personnel costs to Customer. This specifically concerns expenses for seconded employees or expatriate employees (seconded by TBSI with Customer). This category is for cross-charging of personnel expenses to other companies, such as:
 - 4.5.3.1. cross-charging of salaries, expenses & costs for employees seconded by an entity to another entity (host company), where these costs are cross-charged to the host company;
 - 4.5.3.2. cross-charging to an entity employing expatriate employees, of certain compensation items (coverage of the social risk and pensions in particular) which continue to be paid in the country of origin of the expatriate;
 - 4.5.3.3. A seconded employee is an employee whom his employing company makes available to another company (host company), without his employment contract being interrupted. The employee is in a relationship of subordination with the host company and executes his work under the direction of the host company which gives him instructions and manages him. The secondment of an employee is time limited, and is effected via an addendum to the employment contract. It is usually characterised by a geographical relocation (except in specific situations). We expect instances of such secondments to be rare.
- 4.5.4. For the avoidance of doubt:
 - 4.5.4.1. Recharges of DC costs to TBSI fall within the category "external third party costs" if the administration and management of the DC are subcontracted to another provider and the recharging entity is passing on the costs invoiced to it;
 - 4.5.4.2. Recharges of Zone costs to TBSI Plc fall within the category "internal costs to provide services" as the work involves a value add service to enable TBSI Plc to manage its franchise operations
- 4.5.5. The terms set out above do not apply to invoicing of goods, non retail goods, visual merchandising and fixtures.

5. Services

- 5.1. The services may comprise the following (or such other services as may be agreed between the parties from time to time):
 - 5.1.1. Management and general administration or clerical support;
 - 5.1.2. Finance (accounts, receivables, payables, forecasting, budgeting, accruals, financial controls, audit, tax or other regulatory filings, debt collection, insurance, treasury, banking, cash management and all other Finance services which are incidental or indispensable for the normal running of a business);

- 5.1.3. Legal support as directed or authorised each time by Customer (supervision of litigation and payment of legal expenses on behalf of Customer as well as settlement of claims or disputes;
- 5.1.4. IT support, for networks, systems, equipment, etc.;
- 5.1.5. Human Resource management and Payroll and ancillary or similar services, including benefits, pensions, social security, insurance, etc.;
- 5.1.6. Marketing (whether creative, or media placement or any other type of marketing services);
- 5.1.7. Wholesale or Retail Operations (including physical stores, catalogue sales, online – ecommerce, or sales in any other channel);
- 5.1.8. CRM (customer relations management);
- 5.1.9. Training and Retail Academy.

6. Term & Termination

- 6.1. This Agreement shall be effective as of and from the date hereof and shall have an initial term (the "Initial Term") of one (1) year commencing on 1 January 2016 and will thereafter renew for successive terms of one year unless terminated by either party on not less than thirty (30) days prior notice, such notice to expiry on an anniversary of the Initial Term. Any such renewal shall be on the same terms and subject to the same conditions as those of the prior term unless otherwise agreed by Customer and TBSI.
- 6.2. Notwithstanding the provisions of clause 6.1 above, this Agreement shall terminate immediately in the event that the Franchise Agreement is terminated in accordance with its terms.

7. General

Independent Contractors

- 7.1. The parties are independent contractors and this Agreement shall not be construed to create any other relationship such as, by way of example only, that of employer-employee, principal agent, joint-venturer, partners or any similar relationship, the existence of which is expressly denied by the parties hereto.

Force Majeure

- 7.2. No party shall be liable for the failure to perform its obligations under this Agreement (other than the payment of monies due and payable) if such failure is occasioned by a contingency beyond such party's reasonable control, including, but not limited to, strikes or other labour disturbances, lockouts, riots, wars, fires, floods or storms. A party claiming a right to excused performance under this Section 6.2 shall immediately notify the other parties in writing of the extent of its inability to perform, which notice shall specify the occurrence beyond its reasonable control that prevents such performance.

Notice

- 7.3. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as to the entities at their respective addresses as first above written.
- 7.4. Any such notice or other communication shall be deemed to have been given and received on the day

on which it was personally delivered or transmitted by telecopier, receipt confirmed (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing or, if couriered overnight, on the next following Business Day; provided, however, that, if at the time of mailing or within five Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of telecopier as aforesaid.

- 7.5. Any party may change its address for service at any time by giving notice to the other parties in accordance with Section 6.3.

Successors and Assigns

- 7.6. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns.

Business Days

- 7.7. In the event that any act is required hereunder to be done, any notice is required hereunder to be given, or any period of time is to expire hereunder on any day that is not a Business Day, such act shall be required to be done or notice shall be required to be given or time shall expire on the next succeeding Business Day.

Severability

- 7.8. The invalidity or unenforceability of any provision or part of any provision of this Agreement shall not affect the validity or enforceability of any other provision or part thereof, and any such invalid or unenforceable provision or part thereof shall be deemed to be separate, severable and distinct, and no provision or part thereof shall be deemed dependent upon any other provision or part thereof unless expressly provided for herein.

Further Assurances

- 7.9. Each party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other parties may in writing at any time and from time to time reasonably request be done and/or executed, in order to give full effect to the provisions of this Agreement.

Survival

- 7.10. Notwithstanding the termination of this Agreement, any provision hereof which purports to impose obligations on a party following termination shall survive such termination and continue in full force and effect.

Counterparts.

- 7.11. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

In witness whereof, the parties have duly executed this Agreement as of the date and year first above written.

Susan N Flook

Signed for and on behalf of

THE BODY SHOP INTERNATIONAL PLC

**SUSAN N FLOOK
GROUP GENERAL COUNSEL & COMPANY SECRETARY
THE BODY SHOP INTERNATIONAL PLC**

name in capitals

Title

16/11/16

date

[Signature]

Signed for and on behalf of

THE BODY SHOP CANADA LIMITED

MARGARENA SWEINA - DIRECTOR

name in capitals

Title

17/11/16

Date

This is Exhibit "B" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

SERVICE TRANSFER AGREEMENT

THIS SERVICE TRANSFER AGREEMENT is made on the date of the last signature.

BETWEEN

- (1) **The Body Shop International Limited (In Administration)** with registered office at C/O FRP Advisory Trading Limited 2nd Floor, 110 Cannon Street, London, EC4N 6EU (hereinafter "TBS" or "Transferor"), acting by its joint administrators Geoffrey Paul Rowley, Anthony John Wright and Alastair Rex Massey, each of FRP Advisory Trading Limited 2nd Floor, 110 Cannon Street, London, EC4N 6EU acting without personal liability ("The Joint Administrators");
- (2) **The Joint Administrators;**
- (3) **The Body Shop Canada Limited** with registered address 1 Yorkdale Road, Suite 510, Toronto, M6A 3A1 (hereinafter "Transferee"), and
- (4) **Lumen Technologies UK Limited** (company no: 02495998), with registered address 260-266 Goswell Road, London, EC1V 7EB, a member of the Colt group of companies (Colt Group Holdings Limited, Colt House, 20 Great Eastern Street, EC2A 3EH, United Kingdom, registered in England and Wales, under company number 11530966. Corporate and contact information for the Colt Group entities can be found at <https://www.colt.net/legal/colt-group-of-companies>) (hereinafter "Lumen").

WHEREAS

- (A) The Transferor and Lumen are parties to a Master Service Agreement entered into by and between CenturyLink Communications UK Limited and the Transferor, dated 11 July 2019 (hereinafter, the "Agreement"), under which it receives certain services as more particularly identified in Attachment I ("Transferred Services"); and
- (B) The Transferor wishes to transfer all its rights and obligations with respect to the Transferred Services to the Transferee; and
- (C) Transferee wishes to accept the transfer of all Transferor's rights in the Transferred Services, and undertakes to perform all the obligations with respect to such Transferred Services in the Agreement and to be bound in place of the Transferor; and
- (E) Transferor wishes to be released from all its rights and obligations with respect to the Transferred Services under the Agreement from the Effective Date (defined below), and Lumen agrees to release the Transferor upon the terms of the Transferee's undertaking to perform the obligations under the Agreement with respect to such Transferred Services in place of the Transferor; and
- (F) The parties have agreed that the Transferred Services will be transferred as of 13th February 2024 ("**Effective Date**").

IT IS AGREED AS FOLLOWS:

1. As of the Effective Date:
 - a. Transferor hereby assigns and transfers to Transferee all the rights and obligations of Transferor in the Transferred Services, which shall thereafter be governed by the Agreement.
 - b. Transferee hereby accepts the foregoing transfer and undertakes to perform the obligations under the Agreement with respect to the Transferred Services.
 - c. Transferee, and not Transferor will become the customer of Lumen with respect to Transferred Services.
2. The Transferor shall be responsible for all obligations in and related to the Agreement and Transferred Services prior to the Effective Date, and nothing in this Service Transfer Agreement shall affect any claim which either Lumen or the Transferor may have against the other relating to matters arising prior to the Effective Date.
3. The Transferred Services shall be invoiced in **US Dollar (\$)**, according to the terms and conditions stipulated in

the Order Form executed concurrently with this Service Transfer Agreement.

4. This Service Transfer Agreement shall be governed by and construed in accordance with the laws of England and Wales and the parties agree to submit to the exclusive jurisdiction of the courts of London.
5. The Joint Administrators
 - a. Transferee and Lumen acknowledge and agree that the Joint Administrators have entered into and signed this Service Transfer Agreement as agents for and on behalf of Transferor and neither they nor their company, officers, employees or agents shall incur any personal liability whatsoever in respect of any of the obligations undertaken by Transferor, or in respect of any failure on the part of Transferor to observe, perform or comply with any such obligations; or under or in relation to any associated arrangements or negotiations; or under any document or assurance made pursuant to or in connection with this Service Transfer Agreement other than, in each case, in respect of fraud or wilful misconduct.
 - b. The Joint Administrators are party to this Service Transfer Agreement in their personal capacities only for the purpose of receiving the benefit of the exclusions, limitations, undertakings, covenants and indemnities in their favour contained in this Service Transfer Agreement.
 - c. The Parties agree that:
 - i. nothing in this Service Transfer Agreement or the relevant Parties' conduct post the appointment of the Joint Administrators shall constitute the adoption by the Joint Administrators of the terms of any agreement preceding this Service Transfer Agreement (including the SFA) or other document relating to the period of time prior to their appointment; and
 - ii. neither Transferor nor the Joint Administrators shall incur any liability constituting an expense of the administration of Transferor, including for the purposes of paragraph 99(4) of Schedule B1 to the Insolvency Act 1986 and/or Rule 3.51 of the Insolvency Rules (England and Wales) 2016 and/or any payment required under Section 115 of the Insolvency Act 1986 pursuant to the terms of, or as a result of entering into this Service Transfer Agreement and you agree and undertake not to commence, advance or threaten to make any such claim; and
 - iii. references in this Service Transfer Agreement to the Joint Administrators or Transferor using "reasonable endeavours" shall impose no obligation on the Joint Administrators or Transferor to incur any costs or expenses unless indemnified by you and no such costs and/or expenses shall constitute an expense of the administration of Transferor.
 - d. Any right of the Joint Administrators under this Service Transfer Agreement shall also be for the benefit of, and shall be exercisable by, any subsequent administrator, liquidator or other insolvency officeholder appointed from time to time in respect of Transferor (each a "Subsequent Appointee") and so that, as regards any Subsequent Appointee, the relevant clause shall apply *mutatis mutandis* so that references to the Joint Administrators shall be treated as references to such Subsequent Appointee.

[remainder of the page is intentionally blank – signatories follow on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Service Transfer Agreement as of the day and year first above written.

THE BODY SHOP INTERNATIONAL LIMITED (IN ADMINISTRATION) acting by one of its administrators under the powers conferred on them by Schedule 1 of the Insolvency Act 1986 (UK) acting without personal liability

By: _____

Name: Tony Wright

Title: Acting in his capacity as Joint Administrator without personal liability.

Date: _____

THE JOINT ADMINISTRATORS by one of the Joint Administrators without personal liability and solely for the purposes of receiving the benefit of the provisions of this Agreement in their favour

By: _____

Name: Tony Wright

Title: Acting on behalf of the Joint Administrators without personal liability.

Date: _____

The Body Shop Canada Limited

By: Jordan Searle

Name: 

Title: President NA

Lumen Technologies UK Limited

By: _____

Name: _____

Title: _____

Attachment I
Transferred Services

The following services are to be transferred to the Transferee on the Effective Date:

Service ID	Product	Transferor's Bus ORG	Transferee's Bus ORG	Charge (USD \$)
Various see below	DIA	3-YBSPY9LF67	TBC	See below

SITE NAME	Service IDs	Monthly Charge	Monthly charge, Converted to USD total
Canada - Primary	442727848 DIA - 338463597 IP Port/Logical -338463600 Access Offnet - 338463599 IP Enhanced Services - 338463598 Managed Router - 338463601	£974.68 Access - £488.68 IP Port - £45 IP Enhanced Service - £315 Managed Router £126	\$ 1,120.88
Canada - Secondary	441902910 DIA - 335968652 Access Offnet - 335968653 IP Enhanced Services - 335968654 IP Port/Logical - 335968655 Managed Router - 336225792	£678.08 Access - £391.62 IP Enhanced Service £190.29 Managed Router £96.17	\$ 779.79
Secaucus - Primary	442527592 DIA - 337544816 Access Onnet - 337844819 IP Enhanced Services - 337844818 Managed Router - 337844820 Ip Port/Logical - 337844817	£1338.03 Access - £601.55 IP Port - £33.73 IP Enhanced Services - £224.88 Managed Router - £477.87	\$ 1,538.73
Secausus - Secondary	441510197 DIA 334789198 Access Onnet- 334789199 IP Enhanced Services - 334789200 IP Port/Logical 334789201 Managed Router - 334789202	£1338.04 Access - £887.82 IP Enhanced Service £224.88 Managed Router £225.34	\$ 1,538.73

CENTURYLINK MASTER SERVICE AGREEMENT

This Master Service Agreement ("Agreement") is between:

CENTURYLINK COMMUNICATIONS UK LIMITED (No: 02495998) with registered address at 10 Fleet Place, London, EC4M 7RB ("CenturyLink"); and

THE BODY SHOP INTERNATIONAL LIMITED (No: 01284170) with VAT No. GB543938615 and with registered address at Watersmead, Littlehampton, West Sussex, BN17 6LS ("Customer"),

and is effective on the date the last party signs it (the "Effective Date"). This Agreement provides the terms and conditions applicable to Customer's purchase of products and services ("Service") from CenturyLink.

1 Term.

The term of the Agreement will commence on the Effective Date and continue until the expiration of the last Service Term (as defined in Section 3 below), unless earlier terminated in accordance with the Agreement ("**Term**").

2 Service.

CenturyLink will provide Service in accordance with the Agreement, including all applicable Service Schedules, Service Exhibits, Statements of Work, Order(s), pricing attachments, and any other documents that are attached or expressly incorporated into the Agreement ("**Service Attachments**").

3 Order(s).

Customer may submit requests for Service in a form designated by CenturyLink ("**Order**"). The term for a Service is defined in the applicable Service Attachment ("**Service Term**"). Unless otherwise set forth in a Service Attachment, Service will continue month-to-month at the expiration of the Service Term at the agreed rates (as stipulated in the Service Attachments or Orders), or in the absence of express agreement, at CenturyLink's then current rates. CenturyLink will notify Customer of acceptance of requested Service in the Order by delivering (in writing or electronically) the date by which CenturyLink will install Service (the "**Customer Commit Date**"), by delivering the Service, or by the manner described in a Service Attachment. Renewal Orders will be accepted by express agreement or by CenturyLink's continuation of Service. For moves, adds or changes agreed to by CenturyLink, Customer will pay CenturyLink's then current charges, unless otherwise specifically stated in a Service Attachment.

4 Billing and Payment.

4.1 Commencement of Billing. Unless otherwise set forth in a Service Attachment, CenturyLink will deliver written or electronic notice (a "**Connection Notice**") to Customer when Service is installed, at which time billing will commence ("**Service Commencement Date**"). If Customer notifies CenturyLink as soon as reasonably possible (and in any event within five business days) after delivery of the Connection Notice that Service is not functioning properly, CenturyLink will correct any deficiencies and, upon Customer's request, credit Customer's account in the amount of 1/30 of the applicable monthly recurring charge (MRC) for each day the Service did not function properly. If CenturyLink cannot complete installation due to Customer delay or inaction, CenturyLink will notify the Customer and thereafter in the absence of resolution within fifteen business days may begin charging Customer for the Service, and Customer will pay such charges.

4.2 Payment of Invoices and Disputes. Invoices are delivered or made available monthly and due 30 days from the end of month following receipt of invoice. Fixed charges are billed in advance and usage-based charges are billed in arrears. Customer's payments to CenturyLink must be made in the currency agreed by the parties and as stated on the invoice and via the payment method designated by CenturyLink. In the event that the Customer wishes CenturyLink to utilise an electronic payment portal (whether the Customer's own or one operated by a third party) then CenturyLink shall not unreasonably delay or withhold its consent to such use, provided however that CenturyLink's consent shall be conditional upon the Customer agreement to pay CenturyLink's administrative fees (if any), in such amount (if any) as mutually agreed by the parties in writing. Past due amounts bear interest at 4% per annum above the Bank of England base rate. Customer is responsible for all charges regarding the Service, even if incurred as the result of unauthorized use by individuals (officers, employees, agents, etc.) within Customer's control. If Customer reasonably disputes an invoice, Customer must pay the undisputed amount and submit written notice of the disputed amount (with details of the nature of the dispute and the Services and invoice(s) disputed). Genuine bona fide disputes in relation to the amounts specified on any invoice must be submitted in writing within 90 days from the date of the invoice. Without prejudice to either party's rights or remedies, following submission of such a dispute, the parties shall endeavour to resolve the matter as soon as reasonably possible, and in any event within 30 days of submission. If the parties determine that a disputed charge was billed correctly, Customer must pay such amounts within 10 days of such determination. Customer may not offset disputed amounts from one invoice against payments due on the same or another account.

4.3 Taxes and Fees. Excluding taxes based on CenturyLink's net income, Customer is responsible for all taxes and fees arising in any jurisdiction imposed on or incident to the provision, sale or use of Service. This includes value added,

CENTURYLINK MASTER SERVICE AGREEMENT

consumption, sales, use, gross receipts, withholding, excise, access, bypass, ad valorem, franchise or other taxes, fees, duties or surcharges (e.g., regulatory and emergency service call number surcharges), whether imposed on CenturyLink or a CenturyLink affiliate, along with similar charges stated in a Service Attachment (collectively "**Taxes and Fees**"). Some Taxes and Fees, and costs of administering the same, are recovered through imposition of a percentage surcharge(s) on the charges for Service. If Customer is required by law to make any deduction or withholding of withholding Taxes from any payment due hereunder to CenturyLink, then, notwithstanding anything to the contrary in this Agreement, the gross amount payable by Customer will be increased so that, after any such deduction or withholding for such withholding Taxes, the net amount received by CenturyLink will not be less than CenturyLink would have received had no such deduction or withholding been required. Charges for Service are exclusive of Taxes and Fees. Customer may present CenturyLink with an exemption certificate eliminating CenturyLink's liability to pay certain Taxes and Fees. The exemption will apply prospectively.

4.4 Credit Approval and Deposits. Customer will provide CenturyLink with credit information as requested. CenturyLink may require Customer to make a deposit as a condition of CenturyLink's acceptance of any Order or continuation of: (a) usage-based Services; or (b) non-usage based Service where Customer persistently fails to pay CenturyLink amounts due by the payment due dates hereunder and such amounts are not subject of any bona fide dispute pursuant to Section 4.2, or Customer has had a material adverse change in financial condition. Deposits will not exceed two months' estimated charges for Service and are due within 30 days of CenturyLink's written request. When Service is discontinued, the deposit will be credited to Customer's account and the balance refunded within ten (10) days. CenturyLink acknowledges and agrees that as of the date of entry herein, no such deposits are required.

4.5 Regulatory and Legal Changes; Sanctions.

(a) If changes in applicable law, regulation, rule or order materially affect delivery of Service, the parties will negotiate appropriate changes to this Agreement. If the parties cannot reach agreement within 30 days after CenturyLink's notice requesting renegotiation, CenturyLink may, on a prospective basis after such 30-day period, pass any increased delivery costs on to Customer. If CenturyLink does so, Customer may terminate the affected Service on notice to CenturyLink delivered within 30 days of the cost increase taking effect.

(b) If any type of economic, trade or other governmental or transnational sanction applies, or will apply to its performance of its obligations under this Agreement, CenturyLink may terminate the affected Service without liability, upon reasonable written notice to Customer.

4.6 Cancellation and Termination Charges. Unless otherwise set forth in a Service Attachment:

(a) Customer may cancel an Order (or portion thereof) prior to the delivery of a Connection Notice upon written notice to CenturyLink identifying the affected Order and Service. If Customer does so, Customer will pay CenturyLink a cancellation charge equal to the sum of: (1) for "off-net" Service, third party termination charges for the cancelled Service; (2) for "on-net" Service, one month's monthly recurring charges for the cancelled Service; (3) the non-recurring charges for the cancelled Service; and (4) CenturyLink's out-of-pocket costs (if any) incurred in constructing facilities necessary for Service delivery.

(b) Customer may terminate a specified Service after the delivery of a Connection Notice upon 30 days' written notice to CenturyLink. If Customer does so, or if Service is terminated by CenturyLink as the result of Customer's default, Customer will pay CenturyLink a termination charge equal to the sum of: (1) all unpaid amounts for Service actually provided; (2) 100% of the remaining monthly recurring charges for months 1-12 of the Service Term; (3) 50% of the remaining monthly recurring charges for month 13 through the end of the Service Term; and (4) if not recovered by the foregoing, any termination liability payable to third parties resulting from the termination and any out-of-pocket costs of construction to the extent such construction was undertaken to provide Service hereunder. The charges in this Section represent CenturyLink's reasonable liquidated damages and are not a penalty if Services are terminated by CenturyLink as a result of Customer's default.

(c) **DIA Services - Termination for Convenience:** Unless otherwise expressly agreed by the parties in writing, this Section 4.6(c) shall only apply to Orders for DIA Services entered into by the parties hereunder (the "DIA Services"). Provided the Customer is not in breach of its obligations under the Agreement and subject to the other terms set out below, the Customer shall, without being obliged to pay any early termination liability under Section 4.6(a) or (b) of the Agreement, be entitled to terminate a proportion of the DIA Services with an aggregate MRC up to a maximum aggregate amount per contract year of FIVE PERCENT (5%) of the average monthly recurring revenues paid by the Customer for such DIA Services during the previous contract year. For the purposes hereof, a 'contract year' shall mean each period of 12 months during the initial Service Term of the first Orders for DIA Services contemporaneously signed by the Customer with this Agreement, calculated from the Service Commencement Date. The foregoing right of termination shall be subject to the following conditions:

- (i) Notwithstanding anything to the contrary herein, no DIA Services may be terminated pursuant to this clause during the first 12 months of its initial Service Term.
- (ii) In order to exercise this right of termination, the Customer must give CenturyLink no less than 30 days prior written notice of the DIA Services the Customer wishes to terminate.
- (iii) The Customer must pay all charges due under the Agreement for the terminating DIA Services for the period up to the expiry of its notice of termination hereunder.
- (iv) The Customer must pay to CenturyLink any third party termination charges incurred by CenturyLink for the terminating DIA Services. CenturyLink shall use reasonable endeavours to mitigate such third party termination charges.

CENTURYLINK MASTER SERVICE AGREEMENT

- (v) Where Customer would terminate less than such 5% in a particular contract year, Customer is not entitled to carry the difference over to the next contract year.
- (vi) Any termination over and above what is permitted under this Section 4.6(C) will be subject to applicable termination charges in accordance with section 4.6.(a) and/or (b) of the Agreement.

5 Default & Suspension.

(a) If (a) subject to paragraph 5(c) below, Customer fails to make any payment when due and such failure continues for ten (10) business days after CenturyLink's written notice, or (b) either party fails to remedy any curable material breach of any term of this Agreement and such failure continues for thirty (30) days after the other party's written notice, or (c) either party is in material breach of its obligations hereunder which breach is irremediable, then the non-defaulting party may: (i) terminate this Agreement and/or any Order, in whole or in part by giving written notice to the other, and/or (ii) subject to Sections 6.1 (Damages Limitations) and 6.3 (Service Levels), pursue any remedies it may have at law or in equity.

(b) Suspension. If CenturyLink is entitled to terminate this Agreement and/or any Order, CenturyLink may, without prejudice to its right to terminate this Agreement or any Order, suspend, in whole or in part, Customer's Service(s) until the earlier to occur of: (i) the date that the failure or default is cured, or (ii) the expiry of a period of 30 days after the commencement of the suspension. If the failure or default has not been cured by the expiry of the aforementioned 30 day period, then unless specified otherwise by CenturyLink in writing, the relevant suspended Services shall be deemed terminated. Customer shall be liable for all charges in respect of the suspended Service during any period of suspension.

(c) Where any valid invoice due for payment hereunder is overdue and such invoice is not the subject of a bona fide dispute raised by the Customer pursuant to Section 4.2, CenturyLink will take reasonable and commercially prudent endeavours before terminating this Agreement and/or any Order as a result of Customer's non-payment, to comply with the following procedure. Customer will:

- (i) be contacted by CenturyLink's collections team via email and/or telephone;
- (ii) receive a statement of account listing all outstanding invoices and overdue balances on request (these will usually be basis of communication and discussions regarding point (i));
- (iii) receive additional contact if any invoice remains overdue (this will involve notifying Customer that if payment in full is not received, CenturyLink may/will issue a default notice);
- (iv) then be issued with a default notice – this will require payment within ten (10) business days or the Service may be suspended and/or this Agreement and/or any Order terminated;
- (v) prior to expiry of the period specified in the default notice CenturyLink will send Customer a courtesy reminder that payment is required by the date specified in the default notice, or Service may be suspended and/or this Agreement and/or any Order may be terminated;
- (vi) if no payment or no response is received from Customer by expiry of the default notice, CenturyLink may commence Service suspension and/or terminate this Agreement and/or any Order.

6 Liabilities and Service Levels.

6.1 Damages Limitations. (A) Nothing in this Agreement shall be construed as limiting the liability of either party for, (i) personal injury or death resulting from the negligence of a party or its employees, and (ii) any liability of either party which cannot be excluded by law (B) Neither party will be liable for any loss (whether direct or indirect) of profits, revenues, goodwill, anticipated savings, business or data, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Order. (C) Subject to 6.1(A) and (B), Section 8 and clause 11 of Schedule 1 (Data Protection Schedule), unless set out otherwise in a Service Attachment, CenturyLink's total aggregate liability in respect of any and all claims, losses or damages during the Term of the Agreement, whether arising from tort (including negligence), breach of contract, breach of warranty or otherwise under or in connection with this Agreement shall in no event exceed 125% of all charges paid during the 12 month period immediately prior to which the relevant claim arises.

6.2 Warranties and Disclaimer. SERVICES WILL BE PROVIDED IN ACCORDANCE WITH (AND SUBJECT TO) THE TERMS SET OUT IN ANY APPLICABLE SERVICE ATTACHMENT. OTHERWISE, CENTURYLINK MAKES NO FURTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY APPLICABLE SERVICE ATTACHMENT.

6.3 Service Levels.

(a) Any "Service Level" commitments applicable to Services are contained in the Service Attachments applicable to each Service. If CenturyLink does not meet a Service Level, CenturyLink will, subject to Customer purchasing 'Service Management' Services and upon raising of a trouble ticket by either Customer or CenturyLink, issue to Customer a credit as stated in the applicable Service Attachment. Where Customer has not purchased such Services, credits will only be provided (where due) on Customer's request. CenturyLink's maintenance log and trouble ticketing systems are used to calculate Service Level events. Scheduled maintenance under Section 11 and force majeure events are considered Excused Outages.

CENTURYLINK MASTER SERVICE AGREEMENT

(b) Unless otherwise set forth in a Service Attachment, to request a credit, Customer must contact Customer Service (contact information is located at www.centurylink.com) or deliver a written request (with sufficient detail to identify the affected Service. The request for credit must be made within 60 days after the end of the month in which the event occurred. Total monthly credits will not exceed the charges for the affected Service for that month. Customer's sole remedies for any non-performance, outages, failures to deliver or defects in Service are contained in the Service Levels applicable to the affected Service.

6.4 Right of Termination for Installation Delay. Unless otherwise set forth in a Service Attachment, in lieu of installation Service Level credits, if CenturyLink's installation of Service is delayed by more than 30 business days beyond the Customer Commit Date, Customer may terminate the affected Service without liability upon written notice to CenturyLink, provided such written notice is delivered prior to CenturyLink delivering a Connection Notice for the affected Service. This Section will not apply where CenturyLink is constructing facilities to a new location not previously served by CenturyLink.

7 Insurance.

7.1 Without prejudice to the provisions of Section 6, CenturyLink will, at its own cost and expense, maintain during the Term of this Agreement, such insurance as set out below. The insurance coverage will be from a company, or companies, with an A.M. Best's rating of A-VII and authorized to do business in each state or country where CenturyLink will perform Services under this Agreement. CenturyLink may obtain all insurance limits through any combination of primary and excess or umbrella liability insurance.

- (a) Employer's Liability insurance (or local equivalent) with limits not less than the minimum amount required by applicable law.
- (b) Commercial General (Public) Liability with limits not less than \$1,000,000 USD or local equivalent, per occurrence and \$2,000,000 USD, or local equivalent, aggregate covering personal injury, bodily injury, death, property damage, products/completed operations, and contractual liability.
- (c) Commercial Automobile Liability with limits not less than \$1,000,000 USD, or local equivalent, combined single limit per occurrence covering bodily injury and property damage for all owned, non-owned and hired vehicles used in connection with the performance of this Agreement.
- (d) Excess/Umbrella Liability Insurance with limits of not less than \$4,000,000 USD, or local equivalent, each occurrence.

7.2 CenturyLink will at the request of the Customer from time to time, furnish such evidence as the Customer may reasonably request to demonstrate that the insurance cover referred to in Section 7.1 has been maintained in force and effect.

7.3 The Customer shall at its expense, procure and maintain during the Term, adequate insurance with a reputable insurer to cover its liabilities arising under or in connection with this Agreement and shall at the request of CenturyLink from time to time, furnish such evidence as the Customer may reasonably request to demonstrate that such insurance cover has been maintained in force and effect.

8 Intellectual Property.

8.1 CenturyLink shall defend Customer and its affiliates against any third party claim filed against Customer and alleging that a Service, as provided by CenturyLink, prospectively infringes any patent, copyright, trademark, service mark, trade secret or other intellectual property right ("IP Right"); provided however, the foregoing will not apply to any claim based on: (i) the combination of Service with other products, services or functionality, (ii) CenturyLink's design or modification of a Service in accordance with Customer's specific instructions, specifications or requirements; (iii) use or operation by or on behalf of Customer of a Service other than in accordance with this Agreement or other written documentation provided by CenturyLink; (iv) content, data, or other information provided by on or behalf of Customer ("Customer Content"). CenturyLink will also pay any costs of settlement or any damages finally awarded by a court of competent jurisdiction against Customer as a result of such third party claim. CenturyLink's obligations under this section are contingent upon Customer: (i) providing prompt notice of such claim to CenturyLink in writing, (ii) providing CenturyLink with sole control and authority over the defence and/or settlement of such claim, and (iii) cooperating with CenturyLink (at CenturyLink's expense) in the defence and/or settlement of such claim upon CenturyLink's written request. If a claim for which CenturyLink may have a defence or payment obligation hereunder is or may be made, CenturyLink may, at its option and expense: (i) obtain for Customer the right to continue to use the Service consistent with this Agreement; (ii) modify the Service so that it is non-infringing and in compliance with the Agreement; or (iii) replace the Service with an alternative, non-infringing Service with equivalent functionality. Notwithstanding the foregoing, any third-party service, system, CPE, equipment or software provided under this Agreement (each, a "Third Party Item") is provided without any obligation of CenturyLink to defend or indemnify Customer against any claim of infringement of any IP Right arising in connection with any such Third Party Item, except that CenturyLink shall pass through to Customer any contractual obligations of a third party provider of any such Third Party Item to defend or indemnify Customer against such claims. CenturyLink does not warrant that it will be able to do so, but shall use its reasonable endeavours to negotiate with the providers of such Third Party Items to incorporate such contractual obligations. The foregoing states CenturyLink's only obligations (and Customer's sole and exclusive remedy) for any

CENTURYLINK MASTER SERVICE AGREEMENT

claims, actions, liabilities, damages or losses arising in connection with alleged or actual infringement, violation or misappropriation of an IP Right by the Services.

8.2 Customer shall defend CenturyLink and its affiliates against any third party claim filed against CenturyLink and alleging that any service or Customer communications, data, information or other content provided or delivered by or on behalf of Customer prospectively infringes any IP Right. Customer will also pay any costs of settlement or any damages finally awarded by a court of competent jurisdiction against CenturyLink as a result of such third party claim. Customer's obligations under this section are contingent upon CenturyLink: (i) providing prompt notice of such claim to Customer in writing, (ii) providing Customer with sole control and authority over the defence and/or settlement of such claim, and (iii) cooperating with Customer (at Customer's expense) in the defence and/or settlement of such claim upon Customer's written request.

8.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, EACH PARTY'S ("INDEMNIFYING PARTY") TOTAL AND CUMULATIVE LIABILITY UNDER THIS SECTION 8.1, INCLUDING DEFENSE RELATED COSTS AND INDEMNITY PAYMENT OBLIGATIONS (COLLECTIVELY, "INDEMNIFIED COSTS"), WILL NOT EXCEED THE GREATER OF: (a) \$1 MILLION UNITED STATES DOLLARS AND (b) ANY FEES PAID BY CUSTOMER HEREUNDER DURING THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE UPON WHICH THE INDEMNIFYING PARTY IS FIRST NOTIFIED OF A CLAIM, IN EACH CASE (a) AND (b), LESS AGGREGATE INDEMNIFIED COSTS PREVIOUSLY PAID BY THE INDEMNIFYING PARTY UNDER THIS SECTION 8.

9 Data Security.

The Data Security Addendum attached hereto at Schedule 5 shall form part of this Agreement and shall apply in relation to the provision of Services hereunder.

10 Customer Premises; Title to Equipment.

If access to non-CenturyLink facilities is required for the installation, maintenance, grooming, movement, upgrade and/or removal of CenturyLink network or equipment, Customer will, at its expense: (a) secure such right of access and (b) arrange for the provision and maintenance of power and HVAC as needed for the proper operation of such equipment and network. Title to CenturyLink-provided equipment (including software) remains with CenturyLink. Customer will not create or permit to be created any encumbrances on CenturyLink-provided equipment.

11 Scheduled Maintenance and Local Access.

Scheduled maintenance will not normally result in Service interruption. Unless otherwise set forth in a Service Attachment, if scheduled maintenance requires Service interruption CenturyLink will: (1) provide Customer seven days' prior written notice, (2) work with Customer to minimize interruptions and (3) use all reasonable efforts to perform such maintenance between midnight and 6:00 a.m. local time. If third party local access services are required for the Services, Customer will: (a) provide CenturyLink with circuit facility and firm order commitment information and design layout records to enable cross-connects to CenturyLink Service(s) (provided by CenturyLink subject to applicable charges), (b) cooperate with CenturyLink (including changing demarcation points and/or equipment and providing necessary LOA's) regarding circuit grooming or re-provisioning, and (c) where a related Service is disconnected, provide CenturyLink a written disconnection firm order commitment from the relevant third party provider. CenturyLink may re-provision any local access circuits from one off-net provider to another or to the CenturyLink owned and operated network (on-net), and such changes will be treated as scheduled maintenance. Provided the Customer has a Customer Order in effect for the provision of a customer service manager ("CSM"), the CSM shall at the request of the Customer provide a monthly report setting out the forthcoming scheduled maintenance activities for that month. Subject to the provisions of this Section 11(1)(2) and (3), CenturyLink reserves the right to carry out scheduled maintenance whenever it is required by its local access providers or is otherwise necessary for the proper operation and maintenance of its network (including without limitation where it is to be carried out on shared infrastructure used by multiple customers). However, further to the provisions of Section 11(1), CenturyLink shall take into account (but does not warrant or represent that it will always be able to comply) and endeavour to comply with the Customer's requests that CenturyLink will not perform scheduled maintenance affecting network connectivity Services to certain Customer sites (as notified by the Customer to CenturyLink in advance from time to time) between 1st November and 31st January (inclusive).

12 General Terms.

12.1 Force Majeure. Neither party will be liable, nor will any credit allowance or other remedy be extended, for any failure of performance or equipment due to causes beyond such party's reasonable control ("**force majeure event**").

12.2 Assignment and Resale. Neither party may assign its rights or obligations under this Agreement or any Service Attachment without the prior written consent of the other party, which will not be unreasonably withheld. However, either party may assign its rights and obligations under this Agreement or any Order without the consent of the other party: (1) to any subsidiary, parent, or affiliate that controls, is controlled by, or is under common control with that party; (2) pursuant to the sale or transfer of substantially all of the business or relevant assets of that party; or (3)

CENTURYLINK MASTER SERVICE AGREEMENT

pursuant to any financing, merger, or reorganization of that party. This Agreement and all Service Attachments will apply to any permitted transferees or assignees. Any assignee of Customer must have a financial standing and creditworthiness equal to or better than Customer's. Unless otherwise set forth in a Service Attachment, Customer may provide Service to third parties or use the Services in connection with goods or services provided by Customer to third parties ("**Customer Provided Services**"). Customer will indemnify, defend and hold CenturyLink and its affiliates harmless from any claims arising from or related to any Customer Provided Services. If Customer sells telecommunications services, Customer certifies that it has filed all required documentation and will at all times have the requisite authority with appropriate regulatory agencies respecting the same. Nothing in this Agreement confers upon any third party any right, benefit or remedy hereunder.

12.3 Affiliates. CenturyLink may use a CenturyLink affiliate or a third party to provide Service to Customer, but CenturyLink will remain responsible to Customer for Service delivery and performance. Customer's affiliates may purchase Service under this Agreement where: (a) Customer notifies CenturyLink that such affiliate wishes to do so, and (b) the relevant affiliate satisfies CenturyLink's requirements pursuant to Section 4.4 (including without limitation, the payment of a security deposit).

12.4 Notices. Notices will be in writing and deemed received if delivered personally, sent via facsimile, pre-paid overnight courier, electronic mail (if an e-mail address is provided below) or sent by U.S. Postal Service or First Class International Post. Unless otherwise provided for in a Service Attachment, requests for disconnection of Service (other than for default) must be submitted to CenturyLink via Customer's portal at <https://www.centurylink.com/business/login/> or via the following website / link: <http://www1.level3.com/disco/disco.html> and will be effective 30 days after receipt (or such longer period set forth in a Service Attachment). Notices for billing inquiries/disputes or requests for Service Level credits must be submitted to CenturyLink via Customer's portal at <https://www.centurylink.com/business/login/> or via Email at: billing@centurylink.com. Customer failure to follow this process and/or provide complete information may result in continued charges that will not be credited. All legal notices will be addressed to CenturyLink at: 7th Floor, 10 Fleet Place, London, EC4M 7RB; and EMEA.Legal@centurylink.com Attn.: General Counsel; and to any electronic or physical address of Customer as provided in the Agreement or in its absence, to Customer's address identified on the Order or as reflected in CenturyLink's records, Attn. General Counsel.

12.5 Acceptable Use Policy. Customer must conform to an applicable Acceptable Use Policy ("AUP") for Services purchased under this Agreement and to the CenturyLink Privacy Policy, which is available at <http://www.centurylink.com/aboutus/legal/privacy-policy.html>. The applicable AUP and any additional use of Service provisions may be set forth in a Service Attachment. In the absence of an AUP being set forth in a particular Service Attachment, the AUP at <http://www.centurylink.com/aboutus/legal/acceptable-use-policy.html> shall apply to the Services.

12.6 Data Protection. The terms of the attached Data Protection Schedule (Schedule 1) shall apply to the processing of Personal Data under this Agreement and CenturyLink and Customer shall each comply with the requirements of the Data Protection Schedule in performing its obligations under this Agreement.

12.7 Confidentiality. Neither party will: (a) disclose any of the terms of the Agreement; or (b) disclose or use (except as expressly permitted by, or required to achieve the purposes of, the Agreement) the confidential information received from the other party. Confidential information will not include Customer Data as may be described in a Service Attachment. A party may disclose Confidential Information if required to do so by a governmental agency, by operation of law, or if necessary in any proceeding to establish rights or obligations under the Agreement. Each party will limit disclosure and access to confidential information to those of its employees, contractors, attorneys or other representatives who reasonably require such access to accomplish the Agreement's purposes and who are subject to confidentiality obligations at least as restrictive as those contained herein.

12.8 Intellectual Property Ownership; Use of Name and Marks. Nothing in the Agreement or the performance thereof will convey, license, or otherwise transfer any right, title, or interest in any intellectual property or other proprietary rights held by either party or its licensors. Neither party will use the name or marks of the other party or any of its affiliates for any purpose or issue any press release or public statement relating to this Agreement without the other party's prior written consent.

12.9 Governing Law. This Agreement will be governed and construed in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the English Courts.

12.10 Applicable Laws. Each party will comply with all applicable laws, rules and regulations associated respectively with CenturyLink's delivery or Customer's use of the Service under the Agreement.

12.11 Entire Agreement. This Agreement, including any Service Attachments, constitutes the entire and final agreement and understanding between the parties with respect to the Service and supersedes all prior agreements relating to the Service. CenturyLink is not subject to any obligations that are not explicitly identified in this Agreement. Any other terms that a party seeks to impose or incorporate that are not mutually agreed in writing by the parties, whether through handwritten mention on any component of the Agreement or through any terms and conditions contained in ancillary documents (purchase order, invoice, etc.) are hereby excluded. For the avoidance of doubt, the parties acknowledge and agree that they may from time to time wish to agree certain special terms for inclusion within Customer Orders and provided such terms have been agreed in writing by a signatory for and on behalf of each party, such terms shall be binding on the parties.

CENTURYLINK MASTER SERVICE AGREEMENT

12.12 Amendments. This Agreement may only be modified or supplemented by an instrument executed by an authorized representative of each party.

12.13 No Waiver. No failure by either party to enforce any right(s) hereunder will constitute a waiver of such right(s).

12.14 Order of Precedence. In the event of any conflict between this Agreement, and any Service Schedule, Service Exhibit, Statement of Work and/or Customer Order, the order of precedence is: (i) the Service Schedule; (ii) the Service Exhibit; (iii) this Agreement; (iv) the Statement of Work; and (v) the Customer Order.

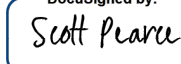
12.15 International Services. For Services provided outside the United Kingdom, Customer or its local affiliate may be required to enter into a separate local country addendum/agreement (as approved by local authorities) ("LCA") with CenturyLink or the respective CenturyLink affiliate that provides the local Service(s). Such CenturyLink affiliate will invoice Customer or its local affiliate for the respective local Service(s).

12.16 Relationship. The relationship between the parties is not that of partners, agents, or joint venturers.

12.17 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together will constitute one instrument. Digital signatures and electronically exchanged copies of signed documents will be sufficient to bind the parties to this Agreement.


Signed for and on behalf of:

CENTURYLINK COMMUNICATIONS UK LIMITED

DocuSigned by:

 Signature: 049B2C7BA394402...
 Name: Scott Pearce
 Title: General Counsel, EMEA
 Date: July 11, 2019

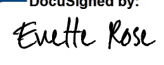
Signed for and on behalf of:

THE BODY SHOP INTERNATIONAL LIMITED

DocuSigned by:

 Signature: 52BE76DFE895B422
 Name: Ken Boyle
 Title: Head of Infrastructure
 Date: July 8, 2019

Signed for and on behalf of:

THE BODY SHOP INTERNATIONAL LIMITED

DocuSigned by:

 Signature: 230F8F7E11744B9
 Name: Evette Rose
 Title: International Infrastructure Services
 Date: July 4, 2019

CENTURYLINK MASTER SERVICE AGREEMENT

Schedule 1. DATA PROTECTION

1. **Applicability.** This Data Protection Exhibit ("DP Exhibit") forms part of the Agreement between Customer and CenturyLink and is applicable to the provision of certain CenturyLink Services. In the event of a conflict between the Agreement, the applicable Services Exhibit(s) and this DP Exhibit, the terms of this DP Exhibit shall control.

2. **Definitions.** In this DP Exhibit, the following definitions apply:

"Data Controller" "Data Processor" "Data Subjects" "Personal Data" and "Personal Data Breach" shall have the meanings ascribed to them in the GDPR.

"Data Protection Laws" means the provisions of applicable laws regulating the use and processing of data relating to persons, as may be defined in such provisions, including a) prior to 25 May 2018, the EU Data Protection Directive 95/46/EC, b) after 25 May 2018 the EU General Data Protection Regulation (Regulation 2016/679) ("GDPR"), c) the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and d) all other applicable laws and regulations relating to processing of personal data.

"Services" means the CenturyLink Services to be provided to Customer under the Agreement and the applicable Services Exhibit(s).

3. **Compliance with Data Protection Laws.**

(A) CenturyLink and Customer agree that, Customer is an independent Data Controller with respect to the processing of Personal Data which is necessary for the operation of the Services, and CenturyLink is an independent Data Controller with respect to the processing of billing, utilisation, usage patterns/counts/statistics, traffic data and other Customer account related information (e.g. name, address, email address) to the extent it is Personal Data, which is necessary for CenturyLink's performance of its obligations under the Agreement and the applicable Services Exhibit(s), or with respect to any Personal Data held for general business purposes.

(B) CenturyLink and Customer shall each comply at all times with its obligations under Data Protection Laws in respect of any Personal Data processed by it under the Agreement.

4. **Data Processing.**

(A) CenturyLink acknowledges that it is a Data Processor on behalf of the Customer for the purposes of providing Services and performing its related obligations (including incident resolution, support or consultancy services). The subject matter, duration and nature of the processing, the types of Personal Data and applicable Data Subjects are described in the applicable Services Exhibit(s).

(B) In so far as CenturyLink processes Personal Data on behalf of Customer as a Data Processor, CenturyLink will (and will procure that CenturyLink affiliates will):

(i) Only process Personal Data in accordance with the Customer's documented instructions, including as set out in the Agreement and this DP Exhibit and ensure that CenturyLink personnel process Personal Data only on such instructions of the Customer, unless processing is required by EU or member state law to which CenturyLink are subject, in which case CenturyLink shall, to the extent permitted by such law, inform Customer of that legal requirement before processing that Personal Data;

(ii) Restrict the disclosure and processing of Personal Data to the extent necessary to provide the Services, or as otherwise permitted under the Agreement and this DP Exhibit, or by Customer in writing, and only disclose Personal Data on a need to know basis in connection with the Services to those who have committed themselves to confidentiality, or as required by applicable law;

(iii) Taking into account the state of the art, costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, implement and maintain appropriate technical and organisational measures designed to protect Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and against all other unlawful forms of processing and ensure a level of security appropriate to the risk presented by the processing;

(iv) Ensure that only those personnel who need to have access to Personal Data are granted access to it, and that such access is granted only for the proper provision of the Services; and

(v) If and to the extent CenturyLink retains a copy of any Personal Data, not retain that Personal Data for longer than is necessary to perform the Services and at Customer's option, securely destroy or return such Personal Data, except where required to retain the Personal Data by law or regulation. The parties agree that CenturyLink shall not actively process such Personal Data and shall be bound by the provisions of this DP Exhibit in respect of any such retained Personal Data. CenturyLink shall (at Customer's option) immediately delete or return all such Personal Data promptly: (a) after it ceases to be obliged to retain, (b) upon termination, or (c) at Customer's written request, and shall only process such data to the extent required to comply with applicable laws.

5. **Sub-Processing.**

CENTURYLINK MASTER SERVICE AGREEMENT

(A) The Customer generally authorises CenturyLink to appoint sub-processors in accordance with any restrictions in this DP Exhibit and the Agreement.

(B) Prior to disclosing any Personal Data to any sub-processor, CenturyLink shall ensure that it has undertaken appropriate due diligence in respect of such sub-processor, and shall ensure the sub-processor enters into a written agreement on terms which provide that the sub-processor has equivalent obligations to those set out in this DP Exhibit. CenturyLink shall remain fully liable to Customer for any breach of such obligations by the sub-processor.

(C) CenturyLink shall maintain an up to date list of its sub-processors and shall inform Customer with details of any intended change in sub-processors at least 30 days prior to any such change. The Customer may object to CenturyLink's appointment or replacement of a sub-processor prior to its appointment or replacement, provided such objection is based on reasonable grounds relating to data protection. In such event, CenturyLink will either not appoint or replace the sub-processor or, if this is not possible, the Customer may terminate the applicable Service Exhibit (without prejudice to any fees incurred by the Customer prior to termination). CenturyLink shall not use such sub-processor until any such objections are resolved or the Customer has terminated the applicable Service Exhibit.

6. Co-operation.

(A) CenturyLink shall, insofar as is possible, promptly notify Customer of any inquiry, complaint notice or other communication it receives from any supervisory authority, or from any Data Subject relating to the Services (including any requests to access, correct, delete, block or restrict access to their Personal Data or receive a machine-readable copy thereof) and, insofar as is possible and to the extent technically feasible, assist Customer with its obligation to respond to any notification or Data Subject rights request in accordance with the timescales set out in the Data Protection Laws. Further, CenturyLink will provide any cooperation or assistance reasonably requested by Customer in connection with steps that Customer takes to comply with the Data Protection Laws insofar as they relate to the provision of Services to the Customer. This includes (without limitation) providing reasonable assistance to the Customer with: (i) responding to requests from individuals or authorities; (ii) managing and responding to Personal Data Breaches; (iii) notifying Personal Data Breaches to affected individuals or authorities; (iv) subject to paragraph 6(C) below, carrying out data protection impact assessments; (v) prior consultations with the authorities; (v) managing and responding to requests or complaints from Data Subjects; and (vi) ensuring compliance with Articles 32 (insofar as they are obligations of CenturyLink thereunder) and 36 of the Data Protection Laws. All such assistance shall be provided within reasonable time frames and at no additional charge.

(B) CenturyLink will not disclose Customer Personal Data to any Data Subject, government, authority or other third party (including, subject to Section 9, any company which is a member of CenturyLink's group or affiliate of CenturyLink) except as necessary for the performance of the Services, to comply with applicable law or with Customer's prior written consent (such consent not to be unreasonably delayed or withheld). To the extent permitted by law, CenturyLink will immediately (and in any event within 48 hours) notify Customer if CenturyLink receives any request to disclose Customer Personal Data. Wherever possible, the notice will (a) attach a copy of the request, and (b) if not covered by (a), specify (i) the identity of the requester, (ii) the scope and purposes of the request and (iii) the date of the request and any deadline for a response. CenturyLink shall permit Customer to handle such requests. If Customer elects not to handle such request, CenturyLink shall comply with such request at the cost of the Customer. In all cases, unless legally prohibited, CenturyLink shall provide Customer a copy of all Customer Personal Data which is disclosed.

(C) If Customer reasonably believes that CenturyLink's processing of Personal Data is likely to result in a high risk to the data protection rights and freedoms of Data Subjects, CenturyLink shall, on request from Customer, assist Customer in connection with any data protection impact assessment and prior consultation, which may be subject to additional fees and terms, that may be required under Data Protection Laws, taking into account the nature of the processing and the information available to CenturyLink.

7. Breach Reporting. CenturyLink shall notify Customer without undue delay on becoming aware of any Personal Data Breach involving Personal Data Processed on behalf of Customer using the Services, and thereafter co-operate with Customer and provide assistance as may be reasonably required by Customer in the investigation, remediation and mitigation of such breach. CenturyLink shall provide all reasonable assistance to Customer in respect of any breach reporting obligations Customer may have, and provide such additional information relating to such breach as Customer may reasonably require.

8. Audits. CenturyLink will maintain all information necessary to demonstrate compliance with its obligations identified in this DP Exhibit and a written record of all processing of Personal Data on behalf of Customer and, upon reasonable request grant Customer and its auditors and agents a right of access to and to take copies of records relating to compliance and all processing of such Personal Data on behalf of Customer in order to assess whether CenturyLink has complied with its obligations in respect of the processing of Personal Data. The written record shall include the following information: (i) the categories of recipients to whom the Personal Data have been or will be disclosed; (ii) to the extent that Personal Data is transferred to a third party outside the EEA, a list of such transfers (including the name of the relevant non-EEA country and organisation), and documentation of the suitable safeguards in place for such transfers; and (iii) a general description of the technical and organisational security measures referred to in this addendum. Upon reasonable notice, CenturyLink shall allow Customer to, or where applicable, shall cooperate with Customer and CenturyLink's third-party providers to arrange for access to premises and other materials and personnel and shall provide reasonable assistance in order to assist Customer in exercising its audit rights under this Section provided that: (i) such access shall occur at a mutually agreeable time and the scope of the visit will be mutually agreed upon; (ii) such access shall not unreasonably interfere with CenturyLink's operations; and (iii) access

CENTURYLINK MASTER SERVICE AGREEMENT

to CenturyLink premises and systems shall be subject to CenturyLink's reasonable access requirements and security policies, and shall not compromise any confidential information to which the Customer has no entitlement.

9. **Transfers.** CenturyLink shall not transfer any Personal Data outside the EEA except to the extent authorised by Customer as follows:

(A) At the date of this DP Exhibit Customer authorises CenturyLink to transfer Personal Data to the United States for the specific purpose of providing Services and performing its obligations under the Agreement and applicable Services Exhibit. Such authorisation is conditional upon CenturyLink entering into Standard Contractual Clauses (in the form adopted by decision 2010/87/EU of 5 February 2010) with its CenturyLink affiliate(s) on Customer's behalf and in Customer's name in order to provide adequate protection for such Personal Data; and

(B) If after the date of this DP Exhibit, CenturyLink (or any affiliate or any sub-contractor) proposes to transfer any Personal Data outside the EEA, other than as authorised above, CenturyLink (or any affiliate or any sub-contractor) shall obtain Customer's consent prior to such transfer, which consent may be conditional upon the relevant parties having entered into an agreement what ensures that Personal Data is accurately protected as required by the Data Protection Laws.

10. **Future Amendments.** The parties may amend this DP Exhibit at any time during the term of the Agreement by written agreement if necessary to comply with any legal requirement or guidance from a supervisory authority, or if required to take account of any changes to the processing of Personal Data pursuant to the Agreement and applicable Services Exhibit(s).

11. **Liability.** Subject to Section 6.1(A) and (B) of the Agreement, CenturyLink's entire aggregate liability in respect of any and all claims, losses or damages howsoever arising in connection with CenturyLink's failure to comply with its specific obligations set out in this Data Protection Schedule shall not exceed the greater of: (a) of all charges paid during the 12 month period prior to which the relevant claim arises; or (b) £1,000,000.00.

CENTURYLINK MASTER SERVICE AGREEMENT**Schedule 2. CENTURYLINK CPE-BASED MANAGED SERVICE**

(EMEA Version Issue Date: October 10, 2017)

1. **Applicability.** This Service Schedule forms part of the Master Service Agreement between Customer and CenturyLink ("Agreement") and is applicable only where Customer orders CenturyLink CPE-Based Managed Service ("CPE-MS"). CenturyLink CPE-Based Managed Service may be designated as Managed DIA, Managed IP VPN, Managed Router, Managed Network Services or Managed WAN Optimization Service in Customer Orders, order acceptance, service delivery, billing (and related) documents.

2. **Definitions.** Any capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.

3. **Service Description.** CenturyLink CPE-MS may be ordered in conjunction with either CenturyLink® MPLS VPN Service or CenturyLink® Dedicated Internet Access Service (DIA). CPE-MS is a set of services that includes design, engineering, implementation management, network management, and life cycle management for Customer premises equipment ("CPE") that is deployed at the end of a CenturyLink® MPLS VPN Service or a CenturyLink® DIA Service. The CPE-MS demarcation point is the local area network (LAN) port on the CPE router. CenturyLink may utilize contractors or subcontractors to provide CPE-MS. CPE may be provided by either the Customer or CenturyLink, but in all cases is managed and maintained by CenturyLink.

4. **Customer Responsibilities.** Customer shall provide to CenturyLink the Customer's network design specifications including pre-existing IP addressing schemes and circuit designs. Customer is solely responsible for all equipment and other facilities used in connection with CPE-MS which are not provided by CenturyLink. Where CenturyLink is providing CPE as part of CPE-MS, Customer is responsible for (i) providing site access for installation and maintenance, and ensuring that appropriate on-site contact personnel are available (ii) ensuring availability of power supply and suitable environmental conditions and (iii) ensuring CPE is sited within 6 feet of a telecommunications access point

5. **Equipment.**

(A) In the event that CenturyLink provides CPE to the Customer as part of CPE-MS, title to CenturyLink-provided CPE remains with CenturyLink or its suppliers, and Customer may not (i) attempt to sell, charge or encumber CenturyLink-provided CPE or (ii) add to, modify, or interfere with CenturyLink-provided CPE, or allow any third party (other than a third party authorized by CenturyLink) to do so. Upon the expiration or termination of the Service Term, Customer shall promptly return any CenturyLink-provided CPE to CenturyLink in good working order (ordinary wear and tear excepted). Customer will be liable for the costs of repair or replacement of CenturyLink-provided CPE not so returned, or if at any time CenturyLink-provided CPE is damaged or lost due to theft, negligence, intentional acts, unauthorized acts or other causes within Customer's reasonable control or that of its agents or employees

(B) In the event that Customer will provide its own CPE, Customer hereby: (i) assigns full operational management responsibility for such equipment solely to CenturyLink; (ii) warrants and represents that the equipment provided is not in end of life ("EOL") status with the manufacturer; and (iii) acknowledges that any EOL CPE may impact or compromise CenturyLink's ability to manage the device.

6. **Charges.** Customer will be billed on a fixed rate basis for CPE-MS, consisting of a non-recurring installation charge and a monthly recurring charge ("MRC").

7. **IP Addresses and Domain Names.** In the event that CenturyLink assigns to Customer an IP address as part of the provision of Service, such IP address shall (upon CenturyLink's request and to the extent permitted by law) revert to CenturyLink after termination of the applicable Customer Order for any reason whatsoever, and Customer shall cease using such address. At any time after such termination, CenturyLink may re-assign such address to another user. In the event that CenturyLink obtains a domain name for Customer (which may be required in some European jurisdictions), Customer shall be the sole owner of such domain name. Customer shall be solely responsible for:

- (A) paying any fees (including renewal fees) relating thereto;
- (B) complying with any legal, technical, administrative, billing or other requirements imposed by the relevant domain name registration authority;
- (C) modifying such domain name in the event Customer changes service providers; and
- (D) all third party claims (including claims for intellectual property infringement) relating thereto, and Customer shall indemnify and hold CenturyLink harmless from all such claims and expenses (including legal fees and court costs) related thereto.

8. **Chronic Problem Resolution.** A "Chronic Problem" is defined as a continuing error, conflict, trouble report or similar issue that affects the ability of the CPE-MS to pass Customer traffic through the CPE. In the event Customer or CenturyLink determines that the Chronic Problem is the result of a recurring issue on the Customer side of the CPE, Customer shall take all reasonable steps necessary to correct the issue including but not limited to (i) requesting CenturyLink to proactively continue monitoring the relevant service until the Chronic Problem is resolved to CenturyLink's and the Customer's satisfaction; or (ii) requesting CenturyLink to take any necessary action to prevent the alerts from being displayed (meaning CenturyLink will not respond to future instances of the defined Chronic

CENTURYLINK MASTER SERVICE AGREEMENT

Problem). If Customer has not resolved the Chronic Problem within thirty (30) days, then CenturyLink may continue to monitor the relevant service and charge the Customer a "per alert" response fee, not exceeding £200, for as long as the Chronic Problem remains, or take any necessary action to prevent the monitoring alerts from being displayed. In all cases, isolating Chronic Problems may impact other elements of Service, and CenturyLink activities in respect of Chronic Problems may result in additional charges. CenturyLink will inform Customer without undue delay if it becomes aware of any Chronic Problem and will provide appropriate updates on resolution.

9. **Service Levels.** The following Service Levels apply to CPE-MS:

(A) **Response Service Level.** CenturyLink will respond to Customer requests or network events not caused by an Excused Outage on a 7x24 basis.

- (i) **7x24, Four Hour Response:** Response coverage is 24 hours per day, 7 days per week. A field engineer will arrive at the Customer site within 4 hours from time of dispatch. CenturyLink will dispatch a field engineer within 30 minutes after the identification of a problem requiring a field engineer. In the event that the field engineer does not arrive at the Customer site within 5 hours from the time of dispatch, for reasons other than an Excused Outage, Customer will be eligible for a service credit equal to 1/30th of the monthly service fee for the affected site, with a maximum of one credit per day per site. Credits will be on a per install basis for the affected site only.
- (ii) **5x9, Next Business Day Response:** Response coverage is 8:00 a.m. to 5:00 p.m. local time. If dispatch is required, a field engineer shall arrive on site no later than 5:00 p.m. the next business day. Trouble calls must be received by 5:00 p.m. local time to ensure next business day response. Service credits are not applicable to 5x9 coverage.

Prior to dispatching a field engineer for either 7x24 or 5x9 coverage, CenturyLink may require Customer to verify that the local environments (including power, LAN connectivity, and inside wiring / cabling) have been diagnosed and ruled out as the source of the fault. The Response Time Service Level covers time to respond only, as defined herein, and does not guarantee mean time to resolution or mean time to repair metrics.

(B) **Availability Service Level.** The Availability Service Level for CPE-MS is applicable only where Customer orders CPE-MS in conjunction with CenturyLink's MPLS VPN Services. It does not apply to CPE-MS provided by CenturyLink with CenturyLink's DIA Services. For CPE-MS with CenturyLink's MPLS VPN Services, the Availability Service CenturyLink set forth herein replaces, and is instead of, the availability service level set forth in the CenturyLink MPLS VPN Service Schedule.

The Availability Service Level for CPE-MS with CenturyLink MPLS VPN Services is set out in the following table:

Service Level	Availability
"Platinum"	100%
"Gold"	99.99%
"Silver"	99.9%

- (i) **Platinum Service:** Platinum CPE-MS is CPE-MS Service provided via dual managed CPEs installed at the Customer site premises connected via dual diverse routes to dual diverse VPN ports, provisioned on separate Edge routers in the CenturyLink Network.
- (ii) **Gold Service:** Gold CPE-MS is CPE-MS Service provided via a single Managed CPE connected via dual diverse local access circuits into the CenturyLink Network. The primary local access circuit will be a fixed circuit (such as E1/T1, Ethernet etc.) and the secondary local access circuit may be either a fixed circuit or an ISDN or DSL circuit, fully diverse from the primary local access circuit.
- (iii) **Silver Service:** Silver CPE-MS is CPE-MS Service provided via a single managed CPE at Customer's Site, connected to the CenturyLink Network with a single fixed link.

In the event that CPE-MS becomes Unavailable (defined below) for reasons other than an Excused Outage, Customer will be entitled to a service credit off of the MRC for the affected CPE-MS location based on the cumulative unavailability of the Service in a given calendar month as set forth in Table B below.

Table B Platinum Service

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01 – 02:00:00	10%
02:00:01 – 04:00:00	30%
04:00:01 – 12:00:00	50%
12:00:01 or greater	50%

Table B Gold Service

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01 – 00:04:00	No Credit
00:04:01 – 04:00:00	10%
04:00:01 – 12:00:00	30%
12:00:01 or greater	50%

Table B Silver Service

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01 – 00:43:00	No Credit
00:43:01 – 04:00:00	10%
04:00:01 – 12:00:00	30%
12:00:01 or greater	50%

Service is "Unavailable" (except in the case of an Excused Outage) if: (i) in the case of Platinum Service if both of Customer's VPN ports on the CPE are unable to send or receive traffic, or (ii) in the case of Gold and Silver Service, if the Customer's LAN port on the CPE is unable to send or receive traffic. Service Unavailability is calculated from the

CENTURYLINK MASTER SERVICE AGREEMENT

time CenturyLink opens a trouble ticket following the report of a problem by the Customer until the time the ticket is closed.

(C) Availability Service Level Limitations. The following limitations apply to the Availability Service Level:

- (i) On-Net Only. Service credit calculation for Service Unavailability in respect of Gold and Platinum services excludes any "Off-Net" elements of the provision of CPE-MS. CPE-MS using "Off-Net" elements include any service provided using third party access circuits not owned and operated by CenturyLink.
- (ii) Excluded items. Availability does not cover outages caused by Excused Outages, Customer-initiated changes to the network environment, architectures, or CPE configuration. It also does not apply to intentional shutdowns due to emergency intervention initiated during security related incidents or the failure of individual security services (e.g. HTTP), network performance degradation, failure due to incorrect bandwidth or IP address selection by the Customer, or failure of connectivity do not constitute failure under this Service Level. If credits are due under this Availability Service Level, no other Service Level agreements (including for the avoidance of doubt any availability Service Level in respect of CenturyLink MPLS VPN Services) apply to the same unavailability event.

CENTURYLINK MASTER SERVICE AGREEMENT**Schedule 3. CENTURYLINK® DEDICATED INTERNET ACCESS SERVICE (DIA)**

(EMEA Version Issue Date: April 24, 2012)

1. **Applicability.** This Service Schedule forms part of the Master Service Agreement between CenturyLink and Customer ("Agreement") and is applicable only where Customer orders CenturyLink® Dedicated Internet Access Service ("DIA").

2. **Definitions.** Any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. The following terms are defined for the purposes of this Service Schedule:

(A) "Back-Up Port" shall mean any DIA Service port other than the Primary Port that is configured to send/receive traffic only in the event the applicable Primary Port becomes unavailable to send/receive traffic. The Back-Up Port must be identified as such in the applicable Customer Order and provisioned on a CenturyLink router or switch (within the same CenturyLink facility) that is separate from the Primary Port. Requests for backup ports will be handled on an individual case basis and are not standard.

(B) "E2E" means end to end, and includes the On-Net Port and Off-Net Access components of Services, taken together.

(C) "On-Net" means Service provided entirely on the network owned (or operated and controlled) by CenturyLink between two locations that are served directly by CenturyLink owned (or operated and controlled) fiber and CenturyLink owned equipment. Services that are not On-Net are Off-Net.

(D) "Primary Port" shall mean any DIA Service port that is configured to send/receive traffic during normal network operations, as identified in the applicable Customer Order.

3. **Service Description.** DIA is a dedicated Internet service providing access to the CenturyLink IP network and the global Internet, available through Serial/POS and Ethernet interfaces. Where DIA is purchased in connection with CenturyLink VoIP Services, CenturyLink voice packets will be prioritized over other packets, unless otherwise agreed. DIA services may not be resold to third parties without CenturyLink's prior written consent reflected in an amendment hereto.

4. **Managed Router Service (Option).** Where Ordered by Customer, Managed Router Service ("MRS") provides for Internet access Customer Premises Equipment ("CPE") management by CenturyLink. Operational management responsibility, including management of the logical configuration of Customer provided CPE, is assigned solely to CenturyLink where MRS is ordered.

5. **Charges.** DIA Services are charged using one of the following billing options, as set forth in each Order.

Fixed Rate Option. Customer is billed a non-recurring installation charge per port plus a fixed recurring charge per month.

CDR/ACDR Option (Burstable). Customer is billed a non-recurring installation charge per port, a monthly recurring charge based on Customer's Committed Data Rate plus monthly usage charges to the extent monthly usage exceeds Customer's Committed Data Rate. "Committed Data Rate" means the number of Mbps per month committed to by Customer as stated in the Order. Per port usage of DIA (both send and receive traffic) will be sampled by CenturyLink every 5 minutes for the previous 5 minute period. At the end of each month, the top 5% of send and receive traffic samples will be discarded, and the higher of the resulting 95th percentile value for send or receive traffic for such port will be compared to the applicable Committed Data Rate. If the compared 95th percentile measurement is higher than the Committed Data Rate, Customer will be billed for its Committed Data Rate plus this 95th percentile measurement for any usage in excess of the Committed Data Rate. CDRs may be aggregated across multiple ports (an ACDR) as stated in the Order.

6. **IP Addresses and Domain Names.** If CenturyLink assigns Customer an IP address, such IP address shall revert to CenturyLink upon expiration or termination of Service, and Customer shall cease using such address. If CenturyLink obtains a domain name for Customer, Customer will own such domain name and shall be responsible for: a) paying all fees relating thereto; b) complying with legal or other requirements imposed by the domain name registration authority; c) modifying the mapping of the domain name to the new provider if Customer changes service providers; and d) all third party claims (including claims for intellectual property infringement) relating thereto, including where brought against CenturyLink.

7. **Service Levels.**

(a) **Installation Service Level.** CenturyLink will exercise commercially reasonable efforts to install any DIA Service on or before the Customer Commit Date for the particular DIA Service. This Installation Service Level shall not apply to Customer Orders that contain incorrect information supplied by Customer or Customer Orders that are altered at Customer's request after submission and acceptance by CenturyLink. In the event CenturyLink does not meet this Installation Service Level for a particular DIA Service for reasons other than an Excused Outage, Customer will be entitled to a service credit for each day of delay equal to either (i) for DIA Service billed on an Aggregate CDR

CENTURYLINK MASTER SERVICE AGREEMENT

basis, the charges for one (1) day of the pro rata share of the monthly recurring charges ("MRC") associated with the Aggregate CDR for the affected DIA Service port(s) (pro-rated based on the number of total ports that contribute to such Aggregate CDR) or (ii) for DIA Service with any other manner of billing, the charges for one (1) day of the allocated port MRC for the affected DIA Service port(s), in each case up to a monthly maximum credit of ten (10) days.

- (b) **Availability.** The Availability Service Level for DIA is 99.98% for Standard Service and 99.99% for Protected Service, provided that the Availability Service Level for DIA Service with any Off-Net (E2E) is 99.9%. Standard Service is configured with a single Primary Port and no Back Port. Protected Service is configured with both a Primary Port and a Back Up Port. Service is unavailable (except in the case of an Excused Outage) if: (i) in the case of Standard Service, the Primary Port cannot send or receive traffic, or (ii) in the case of Protected Service, both the Primary Port and the Back Up Port are unable to send or receive traffic. If credits are due under this Service Level, no other Service Level agreements apply to the same event. If DIA Service is unavailable, Customer will be entitled to a service credit off of the port MRC for the affected DIA port based on the cumulative unavailability of the port in a given calendar month as set forth below:

For Standard Service:

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01 – 00:10:00	No Credit
00:10:01– 00:45:00	5%
00:45:01– 04:00:00	10%
04:00:01 – 08:00:00	20%
08:00:01 –12:00:00	30%
12:00:01 –16:00:00	40%
16:00:01 – 24:00:00	50%
24:00:01 or greater	100%

For Protected Service:

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01 – 00:05:00	No Credit
00:05:01– 00:45:00	15%
00:45:01– 04:00:00	35%
04:00:01 – 08:00:00	50%
08:00:01 –12:00:00	75%
12:00:01 or greater	100%

For E2E Service (i.e. Service with any Off-Net component)

Cumulative Unavailability (in hrs:mins:secs)	Service Level Credit
00:00:01– 00:43:00	No Credit
0:43:01– 04:00:00	10%
04:00:01 – 12:00:00	30%
12:00:01+	50%

- (c) **Packet Delivery.** The packet delivery objective is 99.95%. Packet delivery is measured (and reported monthly) as the average number of IP packets transiting the CenturyLink network that are delivered to the intended destination on the CenturyLink network. Measurements are over a calendar month, and performance statistics for this SLA can be found on CenturyLink's customer portal. If packet delivery exceeds these objectives except as the result of an Excused Outage, Customer will be entitled to a service credit off of the port MRC for the affected DIA port as set forth below:

Packet Delivery below Objective	Service Level Credit
99.949% - 99%	10%
98.99% - 96%	30%
95.99% or less	50%

- (d) **Delay (Latency).** CenturyLink commits to an average (in a calendar month) latency between the Internet access routers of no more than the latency figures in the table below, depending on which network the Service is provided. If delay exceeds these objectives, except as the result of an Excused Outage, Customer will be entitled to a service credit off of the port MRC for the affected DIA port as set forth below:

Route	Network Latency Metrics Round trip
Within the North American Network [Intra-N. America]	< 50 ms*
European Network to North American Network	< 80 ms**
Within the European Network [Intra-Europe]	< 35 ms
Within the Asia Network [Intra-Asia]	< 110 ms
Within the LATAM Network [Intra-LATAM, excluding Mexico City]	< 120 ms
Asian Network to European Network	< 345 ms**
Asian Network to North American Network	< 185 ms**
Asian Network to LATAM Network [excluding Mexico City]	< 315 ms**
European Network to LATAM Network [excl. Mexico City]	< 210 ms**
North American Network to LATAM Network [excl. Mexico City]	< 140ms**

*Add 90ms from/to the Mexico IP Hub

** Plus the applicable latency parameter for the region in which the applicable Customer Site is located

CENTURYLINK MASTER SERVICE AGREEMENT

Delay Exceeding Objective	Service Level Credit
.1- 10 ms	10%
10.1- 25 ms	30%
25.1 ms or greater	50%

8. **Chronic Outage.** Customer may elect to terminate an affected DIA Service prior to the end of the Service Term without termination liability if, for reasons other than an Excused Outage:

(1) For Standard Service, such Standard Service is unavailable (as defined in Section 5(B) above) in any calendar month for: (a) three (3) or more separate occasions of more than twelve (12) aggregate hours each, OR (b) more than forty two (42) hours in the aggregate; or

(2) For Protected Service, such Protected Service is unavailable (as defined in Section 5(B) above) in any calendar month for: (a) four (4) or more separate occasions of more than two (2) aggregate hours each OR (b) more than twenty four (24) hours in the aggregate.

Customer may only terminate such DIA Service that is unavailable as described above, and must exercise its right to terminate the affected DIA Service under this Section, in writing, within thirty (30) days after the event giving rise to a right of termination hereunder, which termination will be effective as set forth by Customer in such notice of termination. Except for any credits that have accrued pursuant to Section 7, this Section 8 sets forth the sole remedy of Customer for chronic outages or interruptions of any DIA Service.

9. **CenturyLink arranged Third Party Internet Access:** Upon Customer's request, CenturyLink may agree to arrange Internet access using third party providers ("Third Party Internet Access"). Access options vary by country and may include access to the Internet via overbooked and/or non-overbooked connections, DSL technology, private leased circuits (fixed or wireless) and/or Satellite. Specific service details (access type, e.g. downstream/upstream speed, customer premises equipment requirements and number of IP addresses) also differ by country. Third Party Internet Access will, if requested by Customer and accepted by CenturyLink, be provided by third party subcontractor(s) to CenturyLink; and, accordingly, is provided on an "as is" basis with the limited service level described below. Customer may report faults and/or outages in Third Party Internet Access to CenturyLink on a 24x7 basis and CenturyLink will contact the applicable third party service provider to effect restoration. Details of any agreed Third Party Internet Access (including pricing and equipment requirements, if any) will be set out in a Customer Order.

(A) The Availability Service Level for Third Party Internet Access is 98.0%. For Third Party Internet Access (i) Service Availability is defined as the ability of Customer to deliver IP packets, from Customer port to any Internet destination., (ii) Service unavailability is defined as periods during which Third Party Internet Access is unavailable. Service unavailability is calculated from the time CenturyLink opens a trouble ticket on behalf of Customer until CenturyLink closes such trouble ticket.

(B) Service Level Credit: In the event that Third Party Internet Access becomes unavailable for reasons other than an Excused Outage, Customer will be entitled to a service credit as follows. For the first two hour period (or part thereof) of Service unavailability in excess of 14.9 hours, and for each successive one hour period or part thereof, Customer will be entitled to a credit of (a) ten per cent (10.0%) of the applicable MRC for the applicable month. For the purpose of this Section, 'MRC' means the agreed monthly recurring charge for the Third Party Internet Access provided to the Customer which is the subject of the credit claim. The Service Level Credit stated in this Section 7(B) is Customer's sole remedy of Customer for unavailability or interruptions of any Third Party Internet Access.

10. **Latin American Services.** With respect to Services provided in Latin America, Customer agrees that it (or its local Affiliate) will enter into a separate local country addendum/agreement (as approved by local authorities) ("LCA") with the respective CenturyLink Affiliate which provides the local Service(s), containing terms necessary to comply with local laws/regulations, and such CenturyLink Affiliate will invoice the Customer (or its local Affiliate) party to the LCA for the respective local Service(s).

CENTURYLINK MASTER SERVICE AGREEMENT

Schedule 4. CENTURYLINK DISTRIBUTED DENIAL OF SERVICE MITIGATION SERVICE

(EMEA Version Issue Date: October 19, 2017)

1. **Applicability.** This Service Schedule forms part of the Master Service Agreement between Customer and CenturyLink ("Agreement") and is applicable only where Customer orders CenturyLink Distributed Denial of Service Mitigation Service ("Service"). CenturyLink Distributed Denial of Service Mitigation Service may be designated as "DDoS", "Denial of Service", "Distributed DoS Service", "DDoS Mitigation Service", or "Distributed DoS Mitigation Service" in Customer Orders, Order acceptance, service delivery, billing and related documents. In the event of any conflict between the Service Schedule and the Agreement, the Service Schedule will govern and control.

2. **Definitions.** Any capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement.

"Always-On" refers to an option for DDoS Mitigation Direct Service, DDoS Mitigation Internet Direct Service, DDoS Mitigation GRE Service or DDoS Mitigation Proxy Service that continually diverts Customer's inbound internet traffic through the CenturyLink Mitigation Infrastructure. For DDoS Mitigation Proxy Service, it also continuously diverts Customer's outbound internet traffic through the CenturyLink Mitigation Infrastructure.

"Clean (Post-Mitigation) Traffic Capacity" means the level of traffic using standard DDoS Mitigation Service that is returned to the Customer "clean" following the mitigation process.

"Cloud Signalling" means that Application Monitoring and Mitigation Service hardware deployed at the Customer premises utilises automated monitoring tools to detect anomalies in IP traffic patterns and signals a potential Denial of Service Attack to CenturyLink's cloud infrastructure.

"Customer Disaster Recovery Site" ("DR Site") means an alternative backup site that is used when a primary location becomes unusable due to failure or disaster. Customer will not use the Service with production traffic at the DR Site except when use of the Customer primary site fails.

"Customer-Initiated Mitigation" is an optional feature for Direct Service, DDoS Mitigation Internet Direct Service or GRE Service that allows customers to initiate mitigation via specific BGP route announcements to CenturyLink rather than calling the CenturyLink Security Operations Centre ("SOC"). Customer-Initiated Mitigation is equivalent to Customer approval to route traffic to the Mitigation Infrastructure for purposes of the Time to Mitigate Service Level. Customer-Initiated Mitigation is subject to CenturyLink availability based on its network configuration. If available, Customer must dynamically advertise the preferred prefixes into the clean return tunnels and the advertised prefixes automatically propagate from the CenturyLink Mitigation Infrastructure to the Internet and the Service automatically begins scrubbing the advertised traffic. The maximum number of prefixes that can be advertised via Customer-Initiated Mitigation is subject to technical constraints. Customer-Initiated Mitigation is only available to a customer that purchases the Always-On option.

"DDoS Mitigation Direct Service" or "Direct Service" means the DDoS mitigation solution which is implemented using BGP route advertisements as a mechanism to re-route legitimate and attack traffic through the CenturyLink Mitigation Infrastructure. Clean traffic is routed back to the Customer data centre over IPVPN/EVPL logical connections between the Mitigation Infrastructure and Customer's border router(s).

"DDoS Mitigation Internet Direct Service" or "Internet Direct Service" means the DDoS mitigation solution which is implemented using BGP route advertisements as a mechanism to re-route legitimate and attack traffic through the CenturyLink Mitigation Infrastructure. Clean traffic is delivered back to the Customer data centre over a separate VLAN logical connection on a CenturyLink provided Internet circuit only.

"DDoS Mitigation GRE Service" or "GRE Service" means the DDoS mitigation solution which is implemented using BGP route advertisements as a mechanism to re-route legitimate and attack traffic through the CenturyLink Mitigation Infrastructure. Clean traffic is routed back to the Customer data centre using a GRE tunnel.

"DDoS Mitigation Proxy Service" or "Proxy Service" means the DDoS mitigation solution which utilizes DNS entry updates as a mechanism to redirect legitimate and attack traffic through the CenturyLink Mitigation Infrastructure. Clean traffic and Customer's protected web server outbound traffic are delivered between Customer's protected web based server and Mitigation Infrastructure over public Internet. Proxy Service is subject to CenturyLink availability.

"Distributed Denial of Service Attack" or "Attack" is an attack on a computer system or network that causes a loss of service to users, typically the loss of network connectivity and services by consuming the bandwidth of the victim network or overloading the computational resources of the victim system.

"CenturyLink Mitigation Infrastructure" or "Mitigation Infrastructure" is defined as a collection of CenturyLink devices designed to filter malicious attack traffic and pass through legitimate traffic in order to mitigate the potential disruptions caused by a Distributed Denial of Service Attack.

CENTURYLINK MASTER SERVICE AGREEMENT

“On-Demand” refers to an option for DDoS Mitigation Direct, DDoS Mitigation Internet Direct Service or DDoS Mitigation GRE Service that diverts Customer's inbound internet traffic through the CenturyLink Mitigation Infrastructure using BGP networking only when Customer traffic is under Attack or suspected of being under Attack.

“Regularly Scheduled Maintenance” means any scheduled maintenance performed to the Mitigation Infrastructure. Regularly Scheduled Maintenance will not normally result in Service interruption. If Regularly Scheduled Maintenance requires an interruption, CenturyLink will: (a) provide Customer seven (7) days' prior written notice; (b) work with Customer to minimize such interruptions; (c) use commercially reasonable efforts to perform such maintenance between midnight and 6:00 a.m. local time where the Mitigation Infrastructure is located on which such maintenance is performed; and (d) work with Customer to remove Always-On Customer traffic from the Mitigation Infrastructure during such maintenance to avoid interruption. Emergency maintenance may be performed on less or no notice. Regularly Scheduled Maintenance, emergency maintenance and force majeure events, and unavailability of the DDoS Mitigation Service due to malfunction of the public Internet are “Excused Outages”.

“Service Validation” means the process by which DDoS Mitigation Service is confirmed as available for GRE Service, DDoS Mitigation Internet Direct Service and Direct Service as a part of the provisioning process, enabling CenturyLink to obtain a profile of Customer's traffic. Customer will coordinate to schedule such Service Validation when contacted by CenturyLink to do so. Service Validation is conducted over two (2) windows during which traffic is routed through the Mitigation Infrastructure as follows: (a) an initial 2 hour “test” window, and (b) a 24 hour validation window. Service Validation must be completed for all or a subset of protected Class C subnet prior to routing traffic through the Mitigation Infrastructure.

“Special Unavailability” means unavailability of the DDoS Mitigation Service due to (a) Customer misuse; (b) other negligent or unlawful acts by Customer or Customer Representatives; (c) network unavailability, including telecommunications failures outside of the Mitigation Infrastructure or CenturyLink network; (d) problems with Customer's servers or equipment; (e) Customer's sustained traffic load reaching a point that causes material degradation to or outage of the underlying CenturyLink Internet infrastructure not directly related to the Mitigation Infrastructure; (f) any other action or inaction by a third party; or (g) a force majeure event, as defined in the Agreement. Whether Special Unavailability is present shall be determined by CenturyLink in its good faith discretion supported by records, data and other evidence.

“SSL Mitigation” means the DDoS mitigation solution that inspects encrypted web traffic to determine if the traffic is legitimate or compromised. SSL Mitigation is available only if GRE Service, Direct Service or Internet Direct Service is or has been ordered and SSL Mitigation is not available as a standalone feature. Clean traffic is routed back to the Customer data centre over the selected DDoS Mitigation Service clean traffic return path.

“Suspension” means CenturyLink's suspension of the DDoS Mitigation Service to Customer as permitted by this Service Schedule or as otherwise allowed under the Agreement.

3. **Service Description.** The DDoS Mitigation Service is available on Customer's Internet services as described herein. The Customer Order form will specify the type of Mitigation Services and whether those Services are Always-On or On-Demand, as applicable. Notwithstanding anything in the Agreement to the contrary, CenturyLink may, in its sole and absolute discretion, subcontract any or all of the work to be performed under this Service Schedule, including but not limited to, installation, detection, and mitigation services, provided that CenturyLink will remain responsible for the performance of CenturyLink's obligations hereunder. Services other than the DDoS Mitigation Services provided by CenturyLink to Customer that work in conjunction with DDoS Mitigation Services (such as IPVPN Service) are subject to separate Service Schedules. DDoS Mitigation Service is available in 4 cloud-based options that Customer will select and will be identified in the Customer Order: (i) Direct Service, (ii) DDoS Mitigation Internet Direct Service, (iii) GRE Service, or (iv) Proxy Service.

In the event Customer has CenturyLink Managed Network Service, by ordering DDoS Service, Customer expressly grants CenturyLink permission to make configuration changes to any Customer Premises Equipment (regardless of ownership) managed by CenturyLink for DDoS service activation and ongoing maintenance.

Direct Service is activated by BGP route advertisement, with logical private line connections over IPVPN/EVPL between the Mitigation Infrastructure and Customer's border router(s). BGP routing protocol is used to communicate network advertisements from Customer to the Mitigation Infrastructure enabling inbound traffic to route through the Mitigation Infrastructure during an Attack or threatened Attack.

Internet Direct Service is activated by BGP route advertisement delivering mitigated traffic from the Mitigation Infrastructure to Customer's border router(s) via a separate VLAN on a CenturyLink provided Internet connectivity. BGP routing protocol is used to communicate network advertisements from Customer to the Mitigation Infrastructure enabling inbound traffic to route through the Mitigation Infrastructure during an Attack or threatened Attack.

GRE Service is activated by BGP route advertisement and is based upon the GRE protocol with virtual tunnel connections constructed to Customer's border router(s). BGP routing protocol is used to communicate network advertisements from Customer to the Mitigation Infrastructure, enabling inbound traffic to route through the Mitigation Infrastructure during an Attack or threatened Attack. Customers directly connected to the CenturyLink AS IP network can advertise a /32 subnet. Non-CenturyLink IP customers must advertise a /24 subnet as a minimum.

CENTURYLINK MASTER SERVICE AGREEMENT

Proxy Service is an Always-On service which mitigates specific internet-based Attacks and allows legitimate internet based traffic to the Customer's protected web based server. For Proxy Service, CenturyLink will assign virtual IP addresses ("VIPs") that the Customer will point to either directly or via another DNS record. Customer is responsible to update Customer's DNS entries to CenturyLink-provided information which redirects Customer's web traffic via Proxy Service. Each Proxy Service will terminate to only one (1) Customer hosted IP address and will send clean traffic to and receive outbound internet traffic from Customer's server. Proxy Service works with standard TCP based Web (i.e. HTTP, HTTPS) application layer protocols. Customer acknowledges that Proxy Service can be setup to open HTTPS traffic for deep packet inspection if Customer elects HTTPS packet inspection at the application Layer 7 level on a per domain, per SSL certificate basis. This optional Proxy Service component requires Customer to provide CenturyLink with a SSL certificate to be loaded on to the Proxy Service platform for the traffic which shall be subject to HTTPS packet inspection.

Routing under either the Direct Service, Internet Direct Service or the GRE Service is asymmetric, with outgoing traffic from Customer to the Internet being forwarded as normal to Customer's Internet Service Provider, without passing through Mitigation Infrastructure. For Proxy Service both incoming and outgoing Customer web application Internet traffic configured to use the Proxy Service passes through the Mitigation Infrastructure.

For On-Demand Service, once the Mitigation Infrastructure is engaged, if an identifiable Attack is not seen by CenturyLink within 48 hours, CenturyLink will coordinate with Customer and obtain consent from Customer (which shall not be unreasonably withheld) to return Customer to normal conditions. Upon receipt of Customer consent, CenturyLink may continue to maintain traffic on Mitigation Infrastructure for an agreed-upon limited time period.

For Always-On Service, the diverted traffic entering CenturyLink's Mitigation Infrastructure will be inspected and filtered of attack traffic based on predefined filters agreed upon by CenturyLink and Customer. Customer must report to CenturyLink any new attacks not effectively blocked by predefined filters. CenturyLink will respond to new requests for mitigation in accordance with the "Time To Mitigate SLA".

For On-Demand Service, upon confirmation of an Attack and with the cooperation of Customer, CenturyLink shall route Customer's IP traffic to the Mitigation Infrastructure designed to filter malicious Attack traffic and pass through legitimate traffic in order to mitigate the potential disruptions caused by an Attack. However, due to the varying nature of Attacks, CenturyLink cannot guarantee that all Attacks will be detected and/or mitigated; nor does CenturyLink guarantee that all IP traffic patterns that initially appear to be Attacks are actual Attacks.

Customer must promptly notify CenturyLink if it believes it is under Attack and provide CenturyLink with reasonable assistance to reroute the IP traffic to the Mitigation Infrastructure in order for the DDoS Mitigation Service to function properly.

Monitoring options for the DDoS Mitigation Service provide more proactive detection of DDoS events ("Attack Monitoring Services"). Attack Monitoring Services are available only to Customers with management access to their Customer Premises Equipment ("CPE") who purchase DDoS Mitigation Services and to Customers with CenturyLink DIA or HSIP Services that choose monitoring from CenturyLink provided edge routers directly. There are two types of available Attack Monitoring Services as follows:

(a) Flow Based Monitoring ("FBM") Service provides 24x7 monitoring of Customer's border router(s) or CenturyLink provided edge routers directly and alerts for large flood-based Attacks. FBM Service requires a reliable feed of netflow sampling and SNMP specific to the Customer's traffic. To the extent Customer purchases the FBM Service with the On-Demand Service, CenturyLink will proactively notify Customer about DDoS mitigation system generated alarms that CenturyLink determines are caused by DDoS Attacks. For Attacks that are not detected by the DDoS mitigation system, Customer must contact the CenturyLink SOC to initiate mitigation. There will be a Monthly Recurring Charge ("MRC") and a Non-Recurring Charge ("NRC") for each Customer router when monitoring occurs from Customer's border router(s) or for each logical circuit when monitoring occurs from CenturyLink provided edge routers directly from which the FBM Service collects netflow sampling.

(b) Application Monitoring and Mitigation for Customer owned and managed equipment ("AMM Cloud Signalling") Service means that a hardware based DDoS detection and mitigation solution is implemented at the Customer premises to monitor the Customer's perimeter network and issues alerts for layer 7 or "application layer" Attacks. AMM Cloud Signalling Service includes CPE hardware that is installed on the Customer premises. Customer may order AMM Cloud Signalling Service only with Customer-owned and managed CPE. In such event Customer must be able to provide Cloud Signalling from its CPE to CenturyLink's Cloud Signalling endpoint and Customer must utilize an equipment manufacturer, model, software code and other applicable items approved by CenturyLink. Customer is responsible for technical support, service and maintenance of the CPE. Customer will have full administrative access to the CPE and CenturyLink will have no access to the CPE. There will be an MRC and an NRC for each piece of equipment utilizing the AMM Cloud Signalling Service.

Notwithstanding the foregoing, CenturyLink reserves the right at any time to: (i) change or supplement the monitoring tools and the mitigation techniques (including but not limited to modifying the Mitigation Infrastructure); (ii) increase or decrease the monitoring tools' sensitivity to anomalous IP traffic patterns; and (iii) modify the definition of anomalous IP traffic patterns that may indicate an Attack.

4. **Charges.** For DDoS Mitigation Services, Customer will be billed monthly in advance based on a fixed rate for mitigation up to a predefined bandwidth level. The manner of billing selected will be set forth in the Customer Order.

CENTURYLINK MASTER SERVICE AGREEMENT

Fixed rate charges for DDoS Mitigation Service consist of 2 components: (a) a non-recurring charge ("NRC"), and (b) a monthly recurring charge ("MRC"). The Service Commencement Date begins upon issuance of a CenturyLink Connection Notice. The Connection Notice will be issued on the first to occur of: (i) successful completion of Service Validation or (ii) five (5) business days after CenturyLink notifies Customer that it has provisioned all components of the Service that CenturyLink can provision without Customer's assistance. In the event there are multiple locations, billing will begin with the Service Commencement Date for the initial location (unless other locations are not available due to the fault of CenturyLink).

Customer may seek expedited "turn-up" of DDoS Mitigation Service for a one-time charge ("Expedited Service"). CenturyLink will in good faith seek to turn up Expedited Service for GRE Service in one (1) business day, however, this is a non-binding objective. For DDoS Mitigation Service other than GRE Service, the order will be processed in a prioritized manner. Service Levels will not apply to Expedited Service during the first seven (7) days of Service. In addition, CenturyLink reserves the right to suspend or cancel the turn up of the Expedited Service at any time if Customer is found not to meet CenturyLink's credit approval requirements as set out in the Agreement.

5. **IP Addresses**. In the event that CenturyLink assigns to Customer an IP address as part of the provision of Service, such IP address shall (upon CenturyLink's request and to the extent permitted by law) revert to CenturyLink after termination of the applicable Customer Order for any reason whatsoever, and Customer shall cease using such address. At any time after such termination, CenturyLink may re-assign such address to another user.

In the event that CenturyLink does not assign to Customer an IP address as part of the provision of Service, Customer represents and warrants that all title, right and interest in and to each IP address used by Customer in connection with the DDoS Mitigation Service is owned exclusively by Customer and/or Customer has all permissions necessary from the owner to enable CenturyLink and Customer to perform their obligations hereunder. Customer shall defend, indemnify and hold harmless CenturyLink against any claim, demand or action arising in connection with a breach of the foregoing representation and warranty.

6. **Clean Bandwidth**. CenturyLink will provide to Customer Clean (Post Mitigation) Traffic Capacity up to the level set forth in the Customer Order.

7. **Service Levels and Remedies**. The following Service Levels are not available prior to the completion of Service Validation. To receive credits, Customer must immediately notify CenturyLink in writing of a Service issue, but in no event later than 30 calendar days after the incident. Whether an incident constitutes an event for Service credit purposes will be determined by CenturyLink in its good faith discretion supported by records, data and other evidence. Credits are only available against the MRC for the affected DDoS Mitigation Service. The Service Levels stated in Sections A - D below apply to the mitigation aspect of DDoS Mitigation Service. Service Levels do not apply to Excused Outages.

(A) **DDoS Mitigation Service Levels, Service Credits and Chronic Termination Rights**. CenturyLink shall use commercially reasonable efforts to make the CenturyLink Mitigation Infrastructure available to Customer one hundred percent (100%) of the time once Customer's IP traffic is routed to the CenturyLink Mitigation Infrastructure in response to a confirmed Denial of Service Attack until Customer's IP traffic is re-routed back to normal following cessation of such Attack (the "Mitigation SLA"). For purposes of this Mitigation SLA, a "Mitigation Service Outage" means that the CenturyLink Mitigation Infrastructure is unavailable to Customer to the extent that Customer is routing traffic through such Mitigation Infrastructure (i.e., the Customer cannot pass traffic through the CenturyLink Mitigation Infrastructure) for more than 60 consecutive seconds, except during an Excused Outage, periods of Special Unavailability or periods of Suspension. The duration of the Mitigation Service Outage shall be determined by CenturyLink (including through the use of third party monitoring of Customer provided URL availability, in the case of Proxy Service) in its good faith discretion using information collected from CenturyLink trouble tickets and/or data collected on the Mitigation Infrastructure.

In the event a Mitigation Service Outage lasts 4 or less consecutive hours, upon Customer request CenturyLink will provide a service credit to Customer equal to 3 days of the MRC associated with the DDoS Mitigation Service at the affected location (the MRC of the affected location ÷ 30 calendar days x 3).

If a particular Mitigation Service Outage reported by Customer lasts more than 4 consecutive hours, upon Customer request CenturyLink will provide a service credit to Customer equal to 5 days of the MRC associated with the DDoS Mitigation Service at the affected location (MRC of the affected location ÷ 30 calendar days x 5).

In no event will Customer receive a credit for more than 1 incident per day pursuant to the terms of this Section 7(A), regardless of the number of times CenturyLink fails to comply with the Mitigation SLA during that day.

In addition to Customer being entitled to the above credit(s), as Customer's sole remedy for any non-performance of the Service, the additional termination rights apply:

(i) in the event a Mitigation Service Outage extends for 10 or more consecutive days, Customer shall have the right, for 30 days following the start of such Mitigation Service Outage, to terminate the affected DDoS Mitigation Service under the applicable Customer Order without early termination liability;

(ii) in the event of 7 separate occurrences of Mitigation Service Outage each lasting at least 60 minutes in a 90 day period, Customer shall have the right, for 30 days following the 7th such occurrence, to terminate the affected DDoS Mitigation Service under the applicable Customer Order without early termination liability; and

CENTURYLINK MASTER SERVICE AGREEMENT

(iii) if Customer has procured from CenturyLink an IPVPN circuit or CenturyLink Internet Service circuit as part of the DDoS Mitigation Service, Customer's termination rights hereunder extend to such IPVPN Service or CenturyLink Internet Service.

Time to Mitigate Service Level. CenturyLink agrees to deploy mitigation following Customer approval (which may be verbal) and Customer properly routing traffic to the Mitigation Infrastructure during an Attack. The Time to Mitigate is measured from the time CenturyLink obtains Customer approval and Customer properly routing traffic to the Mitigation Infrastructure during an Attack until CenturyLink deploys countermeasures to initiate mitigation. The applicable Service Level for each type of Attack is set forth below.

Attack Type	Time to Mitigate Service Level
UDP/ICMP Floods	10 minutes
SYN Floods	10 minutes
TCP Flag Abuses	10 minutes
DNS Reflection	10 minutes
DNS Attack	10 minutes
HTTP GET/POST Attacks*	10 minutes

*HTTP Attack mitigation requires a subscription to Proxy Service.

In the event the Time to Mitigate Service Level ("TTM SLA") is not achieved, the following remedies apply:

Duration of Single Event	Service Credit
> 10 minutes – 60 minutes	1 day of the MRC
> 60 minutes – 6 hours	2 days of the MRC
> 6 hours	7 days of the MRC

Customer is deemed to have pre-approved mitigation for Proxy Service, or Always-On and the SOC does not have to call Customer to deploy the same. Certain mitigation countermeasures related to FBM Service may be pre-authorized by Customer. If a countermeasure is required that has not been pre-authorized (e.g. in addition to the pre-authorized countermeasures), verbal approval is required from Customer to deploy such countermeasure.

Mitigation requiring traffic analysis and custom signature development are not covered under the TTM SLA.

(C) **Attack Monitoring Services Time to Notify Service Level (FBM and AMM Cloud Signalling Services only).** If Customer orders FBM Service or AMM Cloud Signalling Service, a credit as set forth below will be provided if an Attack Monitoring Failure to Notify Event ("FTN Event") occurs. An FTN Event is an event in which an Attack Monitoring DDoS alert occurs but steps to notify Customer within a period of 15 minutes from the time that CenturyLink receives a "Type DDoS" alert are not taken. Timely efforts to notify Customer whether via email or phone satisfy the requirement to take such steps whether or not the Customer can be reached.

For each FTN Event that occurs during a calendar month, Customer will be entitled to receive a service credit equal to the pro-rated charges for 3 days of the MRC applicable to the affected site(s). If 3 or more FTN Events occur during a calendar month, in lieu of service credits, Customer shall have the right, for 30 days following the third FTN Event, to terminate the applicable Service without liability.

(D) **General Terms for all Service Levels.** Credits shall only apply for DDoS Mitigation Service provided pursuant to an MRC, and will not apply to any other DDoS Mitigation Service, including, without limitation, any custom service. Duplicative credits (e.g., for both a Mitigation SLA and a TTM SLA) will not be awarded for a single incident. In the event a single incident triggers both the Mitigation SLA and TTM SLA, Customer will be entitled to receive the higher of the two credits. The aggregate credits under subparts (A), (B) and (C) above to be provided in any calendar month shall not exceed 100% of the MRC of the affected DDoS Mitigation Service. The Service Level credits and termination rights stated in this Service Schedule shall be Customer's sole and exclusive remedies with respect to the DDoS Mitigation Service and related Services provided hereunder. Customer must maintain with CenturyLink up to date contact information and an up to date escalation list for Service Levels to apply. Any non-emergency changes or service design changes that may be required outside of an Attack event such as prefix additions and migration from On-Demand to Always-On require a change order. CenturyLink's objective is to complete change requests within two (2) business days. The change request objective is non-binding and does not constitute a Service Level.

8. **Customer Responsibilities.** Customer must provide to CenturyLink an up-to-date point of contact with 24x7 availability who CenturyLink will coordinate with upon detection of an Attack. Customer is solely responsible for updating such point of contact information, as necessary.

Customer must cooperate with CenturyLink and CenturyLink's partners or subcontractors in coordinating setup of the DDoS Mitigation Service, including but not limited to, placing the necessary routing device at the edge of Customer's environment and cooperating with CenturyLink in the rerouting of IP traffic to the CenturyLink Mitigation Infrastructure during an Attack.

CENTURYLINK MASTER SERVICE AGREEMENT

For the Direct Service, Customer must procure from CenturyLink connectivity between the CenturyLink network and the Customer site (border routers) per the following criteria (i) the demarcation point is the physical network port of the Mitigation Infrastructure, (ii) the connectivity must consist of at least one (1) IPVPN circuit directly to the port on the Mitigation Infrastructure from each of Customer's data centres; and (iii) any Ethernet circuit must support 802.1Q. Provisioning begins upon confirmation of IPVPN circuit availability. CenturyLink may suspend Direct Services if CenturyLink determines that any Customer provided equipment is causing interference with the CenturyLink network or other customers. Any IPVPN circuit provided by CenturyLink will be subject to service levels as set forth in CenturyLink's standard service schedule for such service or as otherwise agreed in writing by Customer and CenturyLink.

For the Internet Direct Service, Customer must procure from CenturyLink connectivity between the CenturyLink network and the Customer site (border routers) per the following criteria: (i) the demarcation point is the physical network port of the Mitigation Infrastructure, (ii) the connectivity must consist of at least one (1) CenturyLink Internet Service circuit capable of connecting to the port on the Mitigation Infrastructure from each of Customer's data centres (subject to availability), and (iii) any Ethernet circuit must support 802.1Q for delivery of Internet and scrubbed traffic on two (2) separate VLANs. Provisioning begins upon confirmation of CenturyLink Internet Service circuit availability. CenturyLink may suspend Internet Direct Services if CenturyLink determines that any Customer provided equipment is causing interference with the CenturyLink network or other customers. Any CenturyLink Internet Service circuit provided by CenturyLink will be subject to service levels as set forth in CenturyLink's standard service schedule for such service or as otherwise agreed in writing by Customer and CenturyLink.

Customer is required to redirect traffic off of the CenturyLink Mitigation Infrastructure within 48 hours of notification that there is no longer any observed Attack traffic.

Customer must promptly notify CenturyLink of any events that may cause significant IP traffic pattern changes for the Customer network being monitored through the DDoS Mitigation Service.

Customer must promptly notify CenturyLink if it believes it is under an Attack in order for the DDoS Mitigation Service to be activated effectively.

Customer must establish and consistently maintain reasonable and adequate security policies and devices for defence of its assets. Customer acknowledges that DDoS Mitigation Service is regarded as a tool that can be used as part of the Customer's overall security strategy, but not as a total solution.

In relation to Proxy Service and SSL Mitigation, Customer is solely responsible to ensure, and hereby represents, that the provision of any SSL certificate to CenturyLink and CenturyLink's use of the same to provide the Services hereunder does not violate any laws, security policies or regulations.

Customer understands and expressly consents that in the performance of its obligations hereunder, notwithstanding any other requirements in the Agreement between CenturyLink and Customer, CenturyLink (or its subcontractor) may route Customer traffic to CenturyLink Mitigation Infrastructure which is located in a country other than the country of origination and/or destination of such traffic.

In the event Customer or CenturyLink determine that the DDoS Mitigation Service is being affected by a continuing error, conflict or trouble report, or similar issue (in each case a "Chronic Problem") caused by the Customer, Customer shall resolve any Chronic Problem by taking whatever steps are deemed necessary to rectify the same, including, but not limited to: (i) removing or modifying the existing DDoS Mitigation Service configuration (or requesting CenturyLink to remove the same); or (ii) replacing Customer's equipment providing distributed denial of service Mitigation should that be deemed necessary. If Customer has not remedied the Chronic Problem within 30 days of request by CenturyLink, then CenturyLink may suspend or terminate the DDoS Mitigation Service.

9. **Restrictions.** If CenturyLink provides Customer with portal access in connection with the DDoS Mitigation Service, Customer will use such access solely as for use with the DDoS Mitigation Service in accordance with this Service Schedule and the Agreement, and Customer will be responsible for any unauthorized access to or use thereof. A charge will apply to any Customer users in excess of ten (10) Customer users of the DDoS Mitigation Service portal. The DDoS Mitigation Service uses two-factor authentication ("2FA") for access to the portal. The 2FA tokens will be disabled for accounts that have not been active in more than six (6) months requiring such users to request new tokens if they wish to re-establish access. Customer understands and acknowledges that the DDoS Mitigation Service is not suitable for the maintenance, or processing (apart from mere transmission) of protected health information consistent with the Health Insurance Portability and Accountability Act (HIPAA), as amended or any other applicable laws in the matter.

10. **Disclaimer.** The DDoS Mitigation Service is provided on an "as is" and "as available" basis, and unless expressly set out in this Service Schedule, any and all warranties, representations or conditions, whether express or implied (by contract, statute or otherwise) are excluded to the fullest extent permitted by law. The DDoS Mitigation Service and associated steps or countermeasures are configured to reduce disruption of Customer's legitimate traffic. The DDoS Mitigation Service is designed to provide protection from most DDoS attacks, but CenturyLink does not guarantee the efficacy of the DDoS Mitigation Service or that the DDoS Mitigation Service will provide protection in all or most cases. If a DDoS Attack is impacting, or may impact, the CenturyLink network or other CenturyLink customers, or if it exceeds the amount of Attack protection purchased, CenturyLink may take any action, including but not limited to "blackhole" filtering or "null routing" Customer's traffic, which filtering or "null routing" would result in all traffic destined

CENTURYLINK MASTER SERVICE AGREEMENT

to Customer being dropped. In such event, CenturyLink may also offer Customer, for an additional charge, a higher level of Clean Traffic Capacity or Attack protection in line with Attack bandwidth level to enable potential protection. Because DDoS Mitigation Service is provided using shared Mitigation Infrastructure, such Mitigation Infrastructure may be unavailable or impaired in the event of large scale Attacks (including to other customers of CenturyLink).

11. **Additional Terms and Conditions Associated with the Service.** CenturyLink may terminate any Customer Order in the event that CenturyLink cannot maintain any required regulatory approvals, despite its reasonable efforts to do so. CenturyLink may temporarily suspend any DDoS Mitigation Service immediately in the event CenturyLink has a good faith belief that such suspension is reasonably necessary to mitigate damage or liability that may result from Customer's continued use of the DDoS Mitigation Service. In the event of any expiration or termination of any Service, Customer's access to the applicable Services will end and CenturyLink will not be responsible for assisting Customer with any transition to an alternative provider, notwithstanding anything to the contrary in the Agreement.

Nothing in this Service Schedule or the Agreement grants Customer any rights to, and Customer is expressly prohibited from, reselling the DDoS Mitigation Service or using any component of the DDoS Mitigation Service or Proprietary Materials to create or offer derivative versions of the DDoS Mitigation Service either directly, or through a third party, as a standalone service offering, as bundled with Customer's services or products, or on a service-bureau basis.

CENTURYLINK MASTER SERVICE AGREEMENT**Schedule 5. SCHEDULE 5 – DATA SECURITY ADDENDUM**

This Data Security Addendum ("Addendum") forms part of the service agreement ("Agreement") between Customer and CenturyLink and is applicable to the services provided by CenturyLink pursuant to the Agreement ("Services"). In the event of a conflict between the Agreement and this Addendum, the terms of this Addendum shall control.

CenturyLink has implemented the data security measures described in this Addendum and shall maintain them, or an equally secure equivalent, during the applicable term of the Services. These measures generally apply to CenturyLink's standard services and certain measures may not apply or may be applied differently to customized services, configurations, or environments ordered or as deployed by Customer. These measures have been implemented by CenturyLink to protect, directly or indirectly, the confidentiality, integrity and availability of Customer Data. As used in this Addendum, "Customer Data" means any data, content or information of Customer or its end users that is stored, transmitted, or otherwise processed using the CenturyLink Services.

1. COMPLIANCE WITH LAW, AUDIT REPORT

CenturyLink has adopted and implemented a corporate information security program as described below, which program is subject to reasonable changes by CenturyLink from time to time. CenturyLink has completed an AICPA sanctioned Type II audit report (SSAE18/ISAE3402 SOC 1 or SOC 2) for certain facilities/services and will continue to conduct such audits pursuant to a currently sanctioned or successor standard. Customer will be entitled to receive a copy of the then-available report upon request, which report is CenturyLink Confidential Information. Customer may make such report available to its end users subject to confidentiality terms provided by CenturyLink. Customer will ensure that all Customer Data complies with all applicable laws and appropriate information security practices, and nothing herein shall relieve Customer from its responsibility to select and implement such practices.

2. Information Security program

CenturyLink has implemented an information security program (the "Program") that includes reasonable measures designed to: (1) secure the confidentiality and integrity of Customer Data; (2) to the extent related to the Services and CenturyLink infrastructure, protect against foreseeable threats to the security or integrity of Customer Data; (3) protect against unauthorized access to, disclosure of or unauthorized use of Customer Data; and (4) provide that CenturyLink employees are aware of the need to maintain the confidentiality, integrity and security of Customer Data. CenturyLink will limit access to Customer Data to only those employees, agents, contractors or service providers of CenturyLink who need the information to carry out the purposes for which Customer Data was disclosed to CenturyLink.

The CenturyLink Program is modelled on the ISO27001:2013-based Information Security Management System ("ISMS"), which establishes the guidelines and general principles used for establishing, implementing, operating, monitoring, reviewing, maintaining and improving protections for CenturyLink information and Customer Data. The CenturyLink Program, in alignment with the ISMS, is designed to select adequate and proportionate security controls to protect information and provides general guidance on the commonly accepted goals of information security management and standard practices for controls in the following areas of information security management:

- Security policy
- Organization of information security
- Asset management
- Human resources security
- Physical and environmental security
- Communications and operations management
- Communications security
- Access control
- Information systems acquisition, development, and maintenance
- Information security incident management
- Business continuity management
- Compliance
- Cryptography
- Supplier relationships

CenturyLink has also implemented a formal information security policy and supporting methods and procedures, technical standards, and processes to reinforce the importance of information security throughout the organization ("Information Security Policy"). The Information Security Policy is in alignment with ISO 27002:2013 and is approved by the Chief Information Security Officer. The Information Security Policy outlines the requirements to maintain reasonable security for the Services. Employees and contractors with access to corporate information and Customer Data are required to complete annual security training based on the Information Security Policy. The Information Security Policy includes the following:

- Physical Security Policy for data centers and Office Locations
- Electronic Use Policy including:

CENTURYLINK MASTER SERVICE AGREEMENT

- Email Usage
- Wireless Networks
- Internet Access
- Anti-Virus control
- Password Management
- Remote and Home Working
- Computer Security Incident Response Plan
- Information Protection
- Third Party Connections Agreements
- Third Party Access
- Wireless Scanning
- Risk Management
- Vendor Management

3. SPECIFIC SECURITY CONTROLS

CenturyLink's security controls include:

- Logical access controls to manage access to Customer Data on a least privilege and need-to-know basis, including through the use of defined authority levels and job functions, unique IDs and passwords, strong (i.e. two-factor) authentication for remote access systems (and elsewhere as appropriate), and promptly revoking or changing access in response to terminations or changes in job functions.
- Password controls to manage and control password complexity and expiration. Any password controlling access to the CenturyLink infrastructure must be of a minimum length and complexity.
- Operational procedures and controls to provide that technology and information systems are configured and maintained according to prescribed internal standards.
- Network security controls, including the use of firewalls, layered DMZs, and updated intrusion detection/prevention systems to help protect systems from intrusion and/or limit the scope or success of any attack or attempt at unauthorized access.
- Vulnerability management procedures and technologies to identify, assess, mitigate and protect against new and existing security vulnerabilities and threats, including viruses, bots, and other malicious code.
- Approved anti-malware software is installed on CenturyLink equipment capable of running it where the risk of infection is high. It is configured to prevent users disabling the software where possible or altering its configuration without authorization. Periodic evaluations are performed to confirm whether systems continue to require (or not) antivirus software.
- Change management procedures outlining that modifications to CenturyLink technology and information assets are tested, approved, recorded, and monitored.
- Organizational management designed to ensure the proper development and maintenance of information security and technology policies, procedures and standards.
- Dedicated organizations with global responsibility for all physical security operations, security systems, access administration, and security controls within all CenturyLink-owned facilities and data centers. Third-party data centers are utilized for certain services and, in such cases, certain physical security and other controls are reviewed by CenturyLink.
- Security policies which reinforce the importance of physical security of all company facilities including procedures specific to data center physical security. Data center security personnel are responsible for controlling data center access, monitoring local security alarms and managing all reported physical security-related events.
- CCTV (Closed Circuit Television) commonly deployed as a physical security control in high value facilities to deter, detect and identify intruders. The Corporate Security Operations Center (CSOC) provides global, 24/7 support with remote monitoring, management, administration and maintenance of the CCTV video surveillance systems used throughout CenturyLink.
- The Central Access Control Center (CACC) supports the distribution of all CenturyLink access badges and administration of access permissions within the access control system.

CENTURYLINK MASTER SERVICE AGREEMENT

- Disposal procedures for different types and classifications of information which are documented and communicated to personnel. Employees have access to secure shredders for hardcopy. Electronic media are disposed of through certified disposal vendors.
- Pre-employment screening and background checks are conducted on incoming personnel in accordance with CenturyLink human resource on-boarding practices and applicable local law. The checks are dependent on, amongst other things: the role, location, any custom requirements, and can include: identity, drug, criminal, academic and credit checks.
- Annual security awareness training for CenturyLink employees and contractors working on CenturyLink premises. The training reflects current threats and encourages basic security good practice, access to and knowledge of Information Security Policy and procedures such as how to report an incident. Employees in particular positions receive supplementary security training and if a training or testing issue arises (e.g., internal phishing exercises), further guidance is provided. CenturyLink conducts a continuous program of phishing tests on staff to reinforce the requirement for awareness and good email and browsing habits and to assess the effectiveness of security awareness training. The company intranet and email system are used to disseminate flash announcements on security matters as appropriate.

4. Security Audits.

Customer may, no more than once per year and at its own expense, audit CenturyLink's performance with respect to its security obligations under this Addendum ("Audit"). In the event Customer retains a third party to perform an Audit, CenturyLink may reasonably require additional documentation be executed by the third party auditor prior to granting access to a CenturyLink facility where Services are provided, and CenturyLink may, at its sole and reasonable discretion, decline to allow a third party access to a data center. CenturyLink shall reasonably cooperate with Customer in its performance of the Audit and shall make available to Customer or its auditors documents and records reasonably required to complete the Audit. CenturyLink shall provide Customer with reasonable access to the relevant facility for the purpose of inspection of the equipment and facilities which are used to provide the Services to Customer. For purposes of clarification, access will not be granted to certain areas of certain facilities (such as data centers) to which CenturyLink does not generally allow access to its customers (e.g. areas which house equipment used to support services for multiple customers). Audit access is subject to CenturyLink's reasonable security requirements for its most sensitive security policies/materials. Audit access must be within CenturyLink's normal business hours and must be scheduled at least ten (10) business days in advance, and Customer or its auditor shall be escorted by CenturyLink personnel during the period of access. The Audit and any findings related thereto shall be treated as Confidential Information.

5. Security Incidents and Response.

In the event CenturyLink determines that a Security Incident has impacted Customer Data, CenturyLink shall promptly take the following actions:

- Notify Customer of such Security Incident and provide periodic updates as appropriate given the nature of the Security Incident and as information becomes available;
- Take reasonable steps to remediate and mitigate the Security Incident, to the extent such steps are technically feasible and appropriate in the circumstances;
- Conduct a preliminary investigation into the Security Incident to determine, to the extent reasonably feasible, its root cause; and
- Reasonably cooperate with Customer in its efforts to remediate or mitigate the Security Incident and its efforts to comply with applicable law and legal authorities, as necessary.

For purposes hereof, "Security Incident" means any unlawful or unauthorized access, theft, or use of Customer Data while being stored, transmitted or otherwise processed using CenturyLink services.

This is Exhibit "C" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)



THE BODY SHOP

THE BODY SHOP
510-1 Yorkdale Road
Toronto, Ontario M6A 3A1 Canada
www.thebodyshop.com

83

September 20, 2024

STRICTLY PRIVATE AND CONFIDENTIAL

National Logistics Services Inc (together with its affiliates, the “**Supplier**”)
Attention: Ian Sinclair, EVP, Commercial Solutions
Email: ISinclair@nls.ca

To Whom it May Concern:

Re: Supply to The Body Shop Canada Limited

As you know, on March 1, 2024 (the “**Filing Date**”), The Body Shop Canada Limited (the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (and Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as Proposal Trustee of the Company. On July 5, 2024, an Order was made by the Ontario Superior Court of Justice (Commercial List) (the “**Initial Order**”) which among other things: (i) appointed A&M as monitor of the Company (in such capacity, the “**Monitor**”) authorized the continuation of the NOI proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”); (ii) extended the stay period commenced upon the Filing Date to December 6, 2024, subject to further extensions; and (ii) prohibits any person from failing to honour, alter or ceasing to perform on under any agreement with the Company. A copy of the Initial Order can be found on the Monitor’s website at www.alvarezandmarsal.com/thebodyshop.

The purpose of this letter agreement (the “**Letter Agreement**”) is to set forth the terms and conditions governing the supply relationship between the Supplier and the Company.

1. Term

The initial term of this Letter Agreement shall begin on September 1, 2024 and continue until August 31, 2025 (the “**Term**”).

2. Services

During the Term, you agree to provide the following services to the Company (collectively, the “**Services**”):

- Handling;
- Storage and warehousing of inventory and other assets (the “**Assets**”) owned by the Company (the “**Storage Services**”); and
- Freight (LTL & Courier).

3. Prices

The parties hereby acknowledges and agrees that the supply of handling and freight Services to the Company will be subject to the prescribed rates set forth in Schedules A to C attached hereto.

The Company agrees to pay Supplier an amount equal to \$57,300.41 (inclusive of HST), on a monthly basis, for the Storage Services (each, a “**Monthly Payment**”). The Supplier shall invoice the Company on the last day of each calendar month (the “**Invoice Date**”) for all Storage Services performed during that month. All amounts shall be due and payable by the Company to Supplier within 30 days from the Invoice Date.



THE BODY SHOP

THE BODY SHOP
510-1 Yorkdale Road
Toronto, Ontario M6A 3A1 Canada
www.thebodyshop.com

84

4. Deposit

Notwithstanding the foregoing and subject to the terms and conditions of this Letter Agreement, the Company agrees to pay the amount of \$80,000 to the Supplier as a deposit for the Services to stay on account (the “**Deposit Amount**”).

The Supplier shall hold the Deposit Amount in trust for the benefit of the Company to the extent it has not been applied to a Monthly Payment pursuant to the terms hereof. For greater certainty, the Deposit Amount (less any deductions expressly permitted by the terms of this Letter Agreement) shall remain the property of the Company. If this Letter Agreement is terminated prior to the end of the Term, the Deposit Amount held by the Supplier as at the date of such termination shall be immediately returned to the Company.

5. No Set Off

The Supplier hereby acknowledges and agrees that the Supplier cannot and will not apply or set off the Deposit Amount or any other payments received from the Company after the Filing Date against any amounts owing by the Company for goods supplied or services provided prior to the Filing Date. The Supplier also hereby acknowledges and agrees that the Supplier cannot and will not apply or set off the Deposit Amount against any amounts owing for the handling and freight Services.

6. Insurance

The parties hereby acknowledge that the Assets are insured against loss and damage by fire under the Company's insurance policy, and the Supplier hereby covenants and agrees that it shall at all times keep the Assets and the property where they are stored insured under its general liability insurance policy.

7. Title to the Assets

The parties each hereby acknowledge and agree that title to the Assets shall at all times be retained by the Company until (a) such Assets are sold in the ordinary course of business, or (b) an approval and vesting order is issued an entered transferring the Assets to a purchaser of all or substantially all of the assets of the Company.

8. Termination

This Letter Agreement shall terminate on (a) the expiration of the Term, (b) by mutual written agreement of the Company and the Supplier, or (c) in the event of a sale of all, or substantially all of the assets of the Company, on the date set out in a notice from the Company advising the Supplier of such sale. Either Party shall have the option to terminate for convenience with no less than 60 days advance notice of the intention to discontinue the Agreement.

9. Notices

Any notice, demand, request, or communication by the Supplier to The Body Shop Canada shall be sent by email to Diane Talevski (Diane.Talevski@thebodyshop.com), unless otherwise directed in writing by the Company. A copy of any notices to the Company shall be sent simultaneously by email to Joshua Nevsky (jnevsky@alvarezandmarsal.com), until otherwise directed in writing by the Company. Any notice, demand, request, or communication by The Body Shop Canada to the Supplier shall be sent by email to Ian Sinclair (ISinclair@nls.ca), unless otherwise directed in writing by the Supplier by notice similarly given.

10. General



THE BODY SHOP

85

THE BODY SHOP
510-1 Yorkdale Road
Toronto, Ontario M6A 3A1 Canada
www.thebodyshop.com

Please confirm the Supplier's acceptance of the terms and conditions of this Letter Agreement by returning a countersigned copy of this Letter Agreement by e-mail transmission to the undersigned by no later than **5:00 p.m.** (Eastern Time) on **September 23, 2024** (the "**Effective Date**"). This Letter Agreement may be executed and delivered in any number of counterparts (including, without limitation, in electronic form and/or with electronic signatures), with the same effect as if all parties had executed and delivered the same Letter Agreement, and all counterparts shall be construed together to be an original and will constitute one and the same Letter Agreement.

Upon acceptance by the parties hereto, and receipt by the Supplier of the Deposit Amount, this Letter Agreement shall be binding on and be enforceable against the parties effective as of the Effective Date and shall be governed by the laws of the province of Ontario and the federal laws of Canada applicable therein. Each of the parties irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Letter Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding. If any provision of this Letter Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Letter Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto.

Yours truly,

THE BODY SHOP CANADA LIMITED

By: _____
Name: Jordan Searle
Title: President, North America



THE BODY SHOP

86

THE BODY SHOP
510-1 Yorkdale Road
Toronto, Ontario M6A 3A1 Canada
www.thebodyshop.com

ACCEPTED AND AGREED on September 23, 2024:

NATIONAL LOGISTICS SERVICES INC

by *Ian Sinclair*
Name: Ian Sinclair
Title: EVP, Commercial Solutions

This is Exhibit "D" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

Update from Joint Administrators on the sale process – preferred bidder selected

We're pleased to announce that we have selected the preferred bidder for The Body Shop International and have entered into an exclusivity period to enable them to complete their due diligence prior to a transaction.

The bidder is a consortium led by Auréa Group and the management team is intended to be led by beauty industry veteran Charles Denton who has deep experience in transforming heritage beauty and cosmetic brands (Molton Brown and Erno Laszlo) into modern fast growing viable businesses with sustainable growth models.

Mike Jatania, Co-founding partner of Auréa Group, is intended to support Charles as Executive Chairman. Mike in his previous role as the CEO of Lornamead Group has transformed the company into one of the most successful brand owners across markets and categories through 35 M&A transactions, many of which were successful brand revivals.

Next steps

At this stage the deal is not complete. As we've shared before, there will now be a period of final due diligence and negotiation. Subject to those negotiations, we hope to complete the sale by late July or early August.

We know that you will have a lot of questions at this point. We are aware that there have already been press leaks and over the coming weeks, you may see further press speculation about what this news may or may not mean for the business.

To make sure that any final deal is not put at risk, we need to maintain the confidentiality of the process to achieve the best possible outcome so, beyond any formal joint statement, we are unable to share any more details or comment further on any press speculation.

We are grateful for your ongoing support – please continue to bear with us. Once the deal is nearer completion, we will update you in more detail.

In the meantime, if you are contacted by the press, please do not make any comments and direct them to nell.almond@thebodyshop.com.

Q&A FOR USE IN STORE:

Does this mean there will be changes at The Body Shop?

At this stage the deal is not completed and there are no immediate changes due to this announcement. We will understand more what that means over the coming weeks.

Will the consortium want to close stores?

At this stage the deal is not completed and there's no changes due to this agreement announced today. We will continue to review the TBSI estate as we currently do, to make sure stores are in the right places and are as productive as possible.

LINES TO TAKE IN STORE:

Who now owns The Body Shop?

The Joint Administrators have announced that they have entered into an exclusivity agreement with a consortium, who are set to be the new owners of the business of The Body Shop International, however this deal is not yet completed.

Kind regards

For and on behalf of
The Body Shop International Limited

Tony Wright
Joint Administrator

The affairs, business and property of the Company are being managed by the Administrator(s) and who act as agents of the Company without personal liability.

A list of four Insolvency Practitioners and their respective licensing bodies is available at <https://www.fpadvisory.com/legal-and-regulatory-notice/#appointmenttakers>.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.



[Like](#) | [Comment](#)

Jordan Searle
President, North America

Jordan.Searle@thebodyshop.com

+1 6478281009

The Body Shop Canada | 1 Yorkdale Road, Suite 510 | Toronto, ON, Canada | M6A 3A1

WE'RE A B CORP™

B Corps believe in business as a force for good.



THE BODY SHOP



===

This is Exhibit "E" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

**THE BODY SHOP INTERNATIONAL LIMITED
(IN ADMINISTRATION)**

The High Court of Justice No. CR-2024-000858

The Administrator's Progress Report for the period 13 February 2024 to 12 August 2024 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

12 September 2024

Contents and abbreviations

Section	Content
1.	Progress of the Administration in the Period
2.	Estimated outcome for creditors
3.	Administrators' remuneration, disbursements, expenses and pre-appointment costs
Appendix	Content
A.	Statutory information regarding the Company and the appointment of the Administrators
B.	A schedule of work
C.	A receipts and payments account for the Period
D.	Details of the Administrators' time costs and disbursements for the Period
E.	A statement of expenses incurred in the Period
F.	Form AM10 - formal notice of the progress report

The following abbreviations may be used in this report:

The Administrators	Anthony John Wright, Alastair Rex Massey and Geoffrey Paul Rowley of FRP Advisory Trading Limited
A&L	A&L Goodbody LLP
Baker McKenzie	Baker McKenzie LLP
BP	Burness Paull LLP
B&B	Bird & Bird LLP
CoCo	Company owned; Company operated
The Company/TBSIL	The Body Shop International Limited (in Administration)
CVL	Creditors' Voluntary Liquidation
CVA	Company Voluntary Arrangement
FoFo	Franchise Owned; Franchise Operated
Gordon Brothers	Gordon Brothers (UK) Limited
HMRC	HM Revenue & Customs
HSBC	HSBC Holdings plc
FRP	FRP Advisory Trading Limited
JD	Jones Day
Kennedys	Kennedys Law LLP
Knights	Knights plc
LTO	Licence to Occupy
Newco	The Body Shop Group Limited

Contents and abbreviations

The Period	The reporting period 13 February 2024 to 12 August 2024
Proposals	The Administrators proposals dated 4 April 2024 and approved on 2 May 2024
QFCH	Qualifying floating charge holder
ROT	Retention of Title
RPS	Redundancy Payments Service
Secured Creditors	ALMA24 Ltd and Aurelius IV UK Acquico Seven Ltd
SIA	SIA Group UK London
SIP	Statement of Insolvency Practice
TBS	The Body Shop
TBSAH	The Body Shop At Home
TSA	Transitional Services Agreement

1. Progress of the Administration

This report should be read in conjunction with the Administrators' Proposals dated 4 April 2024.

Work undertaken during the period

A schedule of work undertaken during the Period together with a summary of work still to be completed is attached at **Appendix B**.

Key developments in the Period are summarised below.

Stabilising the business

At the outset of the administration the Administrators considered the viability of trading the business on, assessing the impact of trading on the position of creditors and ensuring that this decision benefitted the creditor body as a whole. Upon agreeing that continued trading was for the benefit of the administration estate, the Administrators took immediate steps to stabilise the business, which included the following:

- Unlocking the UK ecommerce sales channel by securing ongoing access to systems/supply chain;
- Unlocking the UK store network by securing the supply chain, restocking stores, ensuring merchant providers and onsite till processes were in place alongside appropriate cash collection controls, undertaking all required maintenance work across the estate, liaising with landlords and obtaining appropriate insurance;
- Obtaining an understanding of and unlocking the international supply chain network that underpins the FoFo and CoCo markets;
- Obtaining an understanding of the import/export requirements and liaising with customs brokers to ensure that worldwide import/export could continue as appropriate;
- Liaising with other key suppliers as needed to ensure continuity of supply in respect of a significant number of interconnected essential systems and services;

- Liaising with HMRC as regards the 'bonded warehouse' status of the main distribution centre in Littlehampton and agreeing workarounds to keep the warehouse running; and
- Liaising with the 3PL distribution centre in Germany as regards a lien over stock and to ensure continuity of supply to the EU markets.

CVA

It was initially expected that the Administrators would propose a CVA to the Company's creditors, allowing the Company to be rescued and exit from administration. Extensive efforts were made to engage with key stakeholders to agree terms over various matters. However, it was not possible to reach the necessary agreements which would have enabled a CVA to be launched.

In the absence of a CVA, the Administrators considered that a sale of the business as a going concern would maximise asset realisations for the benefit of the creditors whilst minimising additional preferential claims from the employees of the Company.

FoFo

As reported in the Proposals, the Administrators have preserved the relationships across the various jurisdictions and continued trading with these partners.

The Administrators have continued to monitor debtor collections and assess new orders to ensure the Company is not exposing itself to undue credit risk with a view to maximising realisations and preserving the value in these key relationships.

The Administrators have taken all appropriate steps to preserve FoFo opportunities worldwide, where either CoCo markets were at threat of falling away or where work had been undertaken pre-appointment to establish other FoFo markets.

1. Progress of the Administration

CoCo

Where appropriate, the Administrators have ensured that TBSIL has continued to supply CoCo markets in order to preserve value in those markets.

Some of the CoCo markets are in separate insolvency processes in their own jurisdictions and the Administrators have liaised with the local office holders in a constructive manner and ensured that TBSIL has continued to supply those markets on appropriate credit terms to preserve value where possible.

Physical meeting of creditors

Following the circulation of the Proposals on 4 April 2024, the Administrators received the number of votes required to convene a physical meeting of creditors for the approval of the Administrators proposals, the basis of the Administrators' remuneration and the approval of the timing of the Administrators' discharge from liability.

Following the physical meeting of creditors held on 2 May, all decisions were approved, with the exception of the formation of a creditors' committee.

Employees

As referred to in the Proposals, following consultation with the Company's human resources team, the Administrators announced the redundancy of 346 head office and distribution centre staff with immediate effect on 20 February 2024.

These redundancies were made to rightsize the Company and move away from the management of global operations, focussing on the more profitable areas of the business such as the UK store network, Ecommerce, Wholesale and Head Franchise operators.

Store closures and further redundancies relating to further streamlining within the head office operations led to an additional 504 redundancies between 8 March 2024

and 31 August. Thees further redundancies arose following additional store closures and the Administrators' ongoing reviews of staffing levels. 35 employees were also placed on transition roles with redundancies planned for these in due course once those roles had been appropriately handed over to fit into the revised organisational structure. Eight of these individuals were subsequently placed elsewhere in the business due to other employee resignations.

The Administrators have also continued to monitor resignations to ensure there are no knowledge gaps that would place a risk on ongoing and future operations.

The Administrators continue to liaise with former employees regarding their claim submissions and any other inbound queries. Any correspondence regarding employment tribunal claims are being dealt with by Kennedys.

Employees have been kept apprised on the progress of the administration throughout the Period.

Insurance

Marsh (the Administrators' insurance brokers) were advised immediately following the appointment, and open cover arranged. Steps were taken to review the Company's existing insurances and ensure the Administrators had taken the necessary level of insurance cover in place to fulfil their responsibilities.

Marsh have been engaged to review the policies and advise accordingly, with the Administrators securing appropriate insurance cover across the different trading processes across the estate.

Intellectual Property

The Administrators have taken all steps necessary to secure and preserve all of the Company's intellectual property throughout the period, paying all registration and licence fees required across all jurisdictions in which the Company operates (or supports through FoFo markets), taking advice from Baker McKenzie as required.

1. Progress of the Administration

Debtors

On appointment, the Company had debtors of approximately £21m, these debts predominantly related to franchise partners. Since appointment £17m of this balance has been collected. These funds have primarily been receipted into the pre-appointment bank account and will be shown within the Receipts and Payments account once these funds have been transferred to the administration estate.

Property matters

Following their appointment, the Administrators proceeded with the immediate closure of seven (7) stores. Subsequently, after further analysis of the property portfolio, the Administrators proceeded with the closure of an additional 77 stores between March and August 2024. A small portion of these store closures arose at the request of specific landlords, with those closures being facilitated with advice from Bird & Bird. This resulted in a significant number of the redundancies as described in the employee section above.

During the Period, the Administrators have continued to engage in discussions with landlords on the following matters:

- The closure of the aforementioned stores and subsequent surrender of the various leases;
- Lease renewal negotiations;
- The preservation of the Company's rights under the Landlord and Tenants Act 1985; and
- All maintenance and repair requests received from stores.

As part of trading activities, the Administrators have continued to facilitate payment of the liabilities arising under the leases for the remaining stores as an expense of the Administration. Further comment regarding the trading activity undertaken is provided in the sections below.

Cash at bank

On the Administrators appointment, the Company's bank account balances totalled approximately £9m.

To date, approximately £5m has been realised and the Administrators continue to liaise with HSBC to gain access to the balance of these funds.

HSBC had also given guarantees to a number of subsidiaries' landlords which have been cash backed by the Company, these guarantees total £8.9m. Part of this balance will be lost as guarantees are called upon and part of this balance will be released as securities are replaced with the various landlords in go forward markets.

Trading

Upon appointment, the Administrators undertook an immediate assessment of the Company's financial position and their ability to continue trading the business.

In addition to stabilising the business as set out earlier in the report, immediate contact was made with the merchant providers and HSBC to advise of the administration such that pre administration facilities could continue to accept cash and card transactions, as well as processing head franchise receipts. The merchant providers forwarded daily sales receipts to the Administrators bank account and are continuing to support the process.

Due to the global network and complexity of the Company's operations there was a heavy reliance on the IT and ERP systems. This was an immediate area of focus for the Administrators to ensure continuity of services and subsequently trade. These have been maintained throughout the Period as required.

Landlords and other trade suppliers were contacted as soon as possible after the appointment and have been updated throughout the process.

1. Progress of the Administration

Discussions took place between the Administrator's team, the Company's employees and various direct trade suppliers who produced the ingredients, packaging and finished goods for the Company to explain the proposed strategy for the Administration.

The Administrators maintained a constant staff presence at the headquarters in London and in the Watersmead distribution centre to address day to day queries and to support the Company's employees in facilitating the business-as-usual trading.

It was also announced on 20 February 2024, that 7 loss making retail stores would close and associated staff would be made redundant (assuming they could not be redeployed elsewhere within the estate).

Following a review of the store portfolio regarding recent and forecast financial performance, along with various other factors such as capital expenditure requirements, lease expiry dates, abnormal recent performance trends and potential dilapidation claims, the Administrators announced the closure of a further 75 retail stores on 1 March 2024. This impacted a further 425 staff members at those stores, with a phased closedown having now been completed.

The Administrators continued to trade the Company while pursuing the CVA and Sale of the business and assets. Please see **CVA** and **Sale of the business and assets** sections above and across for more details.

On 7 September 2024, the Administrators completed a going concern sale of the underlying business and assets of the Company. Due to the sale completing shortly before this report being issued the overall trading outcome has not yet been finalised and will be reported on in future reports.

During the trading period, the Administrators utilised assets available at appointment including but not limited to stock, plant and machinery, furniture & equipment, contents of the stores, premises and computer systems to trade the business.

A separate trading receipts and payments account is attached at **Appendix E**. Further detail is set out in the Schedule of Work attached.

The schedule of work details the work required to realise the following assets:

- Rates refunds
- Insurance refunds
- Cash at bank
- Funds held on account
- Trade Receivables

At the time of writing this report, trading has now ceased following the sale of the business and assets. Full details of this performance will be disclosed in future reports.

The Administrators subcontracted work associated with the store closures, including but not limited to the collection and relocation of stock, securing the sites and the collection of keys.

Attached at **Appendix C** is a receipts and payments account detailing both transactions for the Period of this report and also cumulatively since the appointment of the Administrators.

Payments made from the estate are fair and reasonable and proportionate to the insolvency appointment and are directly attributable to this insolvency.

No payments have been made to associates of the Administrators without the prior approval of creditors as required by SIP9.

Sale of the business and assets

Following the conclusion that a CVA was not viable (as referenced above), on 20 May 2024, the Administrators launched a sales process for the underlying business and assets of the Company by issuing a teaser document to a combination of large retailers, inbound contacts and other known parties.

1. Progress of the Administration

In total 87 parties were approached as part of the process, of which 67 acknowledged the contact. 11 parties submitted indicative offers.

Following indicative bids we progressed into a secondary process with four parties and, after a period of due diligence, requested best and final indicative offers.

The Administrators assessed the offers received and selected one party to progress into exclusivity with, based on a combination of price and completion risk.

The Administrators entered exclusivity with the preferred bidder, the Investment Group Aurea, on 15 July 2024. This was subsequently extended on a weekly basis whilst final commercial terms were agreed and the extensive due diligence process completed, with this preferred party also reconfirming their offer on a weekly basis.

On 7 September 2024, the Administrators completed a going concern sale of the underlying business and assets of the Company to the investment group Aurea. This has resulted in over 1,300 jobs being saved in the UK along with the ability to continue to supply both the FoFo and CoCo markets across the globe. The transaction is anticipated to enhance the outcome for creditors. As the transaction completed outside of the reporting period of this report, the sale consideration does not show in the receipts and payments account and full details of the sale will be reported in our next progress report.

Investigations

The Administrators have obtained books and records contained on the Company's server (which includes emails, financial documents etc) and a review of certain email mailboxes and financial data was undertaken. We are following up on this as appropriate and will report on this further in our next report. In addition, the Administrators have a duty to review of the conduct of the directors of the Company and report their findings to the Insolvency Service. This report has been submitted and the contents remain confidential.

The general investigation remains ongoing and any material updates will be provided within our next progress report.

In addition, the Administrators have a duty to review the conduct of the directors of the Company and report on their findings to the Insolvency Service. This report has been submitted and the contents remain confidential.

Extension to the initial period of the administration

It is anticipated the administration will be extended for a period of 12 months. Consent for an extension will be sought from creditors under separate cover.

Anticipated exit strategy

As mentioned earlier in the report, the Administrators completed the sale of the business and most underlying assets on 7 September 2024. The Administrators will now work to realise the remaining assets of the Company. We anticipate that there will be a distribution to unsecured creditors, however, at this time we are not able to confirm the level of dividend. Following the realisation of the remaining assets the Administrators will take steps to move from administration to CVL pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986.

Upon conversion to CVL, the subsequently appointed liquidators will take steps to distribute the balance of funds to creditors.

2. Estimated Outcome for the creditors

The estimated outcome for creditors was set out in the Proposals.

Outcome for the secured creditors

The Administrators requested a security review to assess both secured charges against the Company being Aurelius and ALMA. An agreement has subsequently been reached and full security releases for Aurelius was agreed during the Period. Security releases from ALMA were obtained after the Period to facilitate the sale described previously.

A further update will be provided to creditors in the next reporting Period.

Outcome for the preferential creditors

During the Period 850 employees were made redundant, as a result of a reduction of staff in the head offices to support the ongoing business functions and arising from store closures.

Preferential claims have been limited following the 1,300 jobs saved as a result of the going concern sale.

The RPS preferential claim is currently estimated at £356,527 including redundancy and pension claims.

The employee residual preferential claims currently total £200,384, relating to holiday pay.

Outcome for the secondary preferential creditors

From 1 December 2020 HMRC rank as a secondary preferential creditor in respect of the following:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme Deductions; and

- Employees' NI Contributions

Secondary preferential claims totalling £2,347,328 have been received from HMRC in the form of an interim proof of debt. This figure is subject to further review by HMRC and the office holder as appropriate.

Preferential and secondary preferential creditors will be paid in full.

Outcome for the unsecured creditors

To date, unsecured claims totalling £210,838,480 have been received, which includes significant intercompany creditor balances. As a result of the sale we anticipate that the overall creditor claims will reduce and that the dividend to unsecured creditors will be no less than what was previously considered in initial CVA estimates of 15p in the pound.

However, at present, the Administrators are unable to confirm the exact amount or timing of the proposed distribution.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

The security position is being reviewed and we will advise in due course if the prescribed part is applicable.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Administrators' remuneration

Following circulation of the Administrators' proposals the creditors passed a resolution that the Administrators' remuneration should be calculated on a time cost basis. Details of remuneration charged during the period of the report are set out in the statement of expenses attached. To date fees of £3,500,000 excluding VAT have been drawn from the funds available.

A breakdown of our time costs incurred during the period of this report and to date is attached at **Appendix D**. The remuneration anticipated to be recovered by the Administrators based on time costs, is likely to exceed the sum provided in the fees estimate circulated to creditors with the proposals.

The time costs for the period have exceeded the initial fee estimate provided in the Proposals. This increase is primarily attributed to a shift in the Administrators' strategy from a CVA to a sale process in May, as detailed earlier in this report. The sale process was prolonged due to a competitive two-tier bidding process, driven by high interest from potential buyers. Following the selection of a bidder, extensive negotiations and a thorough due diligence process further extended the timeline. Consequently, these factors have led to a substantial increase in the Administrators' time costs.

The Administrators are unable to draw fees based on time costs exceeding the total amount set out in the fees estimate without further approval of the creditors. Approval will be sought under separate cover.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Administrators' expenses

An estimate of the Administrators' expenses was set out in the Administrators' proposals. Attached at **Appendix E** a statement of expenses that have been incurred during the period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are likely to exceed the details previously provided. This is primarily as a result of extensive time undertaken to stabilise the business resulting in substantial additional Administrators' and legal costs, alongside the work involved in both the extended trading timeframe and facilitating the sale of the business following the conclusion that a CVA was not viable.

The increase in the Administrators' expenses mirror the reasons highlighted in the preceding Administrators' remuneration section.

In the table below is the estimate of the anticipated costs:

Expense	Estimated cost per initial estimate £	Revised anticipated costs £	Paid to date £
Jones Day	2,500,000	4,000,000	Nil
Gordon Brothers (asset valuation)	72,500	72,500	Nil
Gordon Brothers (store closures)	300,000	400,000	Nil
CBRE	200,000	200,000	118,947

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Bird and Bird LLP	350,000	450,000	229,189
Knights	150,000	100,000	47,184
Baker McKenzie	250,000	250,000	51,874
Courts Advertising	500	500	103
Marsh Insurance	10,000	10,000	Nil
Accurate Mailing	30,000	30,000	11,051
Kennedys	No estimate previously provided	50,000	Nil
Burness Paull	No estimate previously provided	100,000	33,793
SIA	No estimate previously provided	50,000	Nil
A&L	No estimate previously provided	30,000	Nil

The estimated costs, as per the above table, have exceeded the original estimate for the following reasons:

- The change of strategy from a CVA to a sale process;
- The extensive and protracted sales process;

- The complexity of the business, structure and markets that the Company operated in.

When instructing third parties to provide specialist advice and services, or having the specialist services provided by the firm, the Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work being undertaken. This is reviewed by the Administrators periodically throughout the duration of the assignment. The specialists chosen may regularly be used by the Administrators and usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

The Administrators have engaged the following agents or professional advisors:

Professional Advisor	Nature of work	Basis of fees
Jones Day	Legal advice	Time Costs
Gordon Brothers	Asset valuation	Fixed Fee
Gordon Brothers	Store Closure	Time costs
CBRE	Landlord advice	Fixed fee
BP	Legal property advice	Time costs
A&L	Legal property advice	Time costs
Bird and Bird	Legal property advice	Time costs
Knights	Legal property advice	Time costs

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Baker McKenzie	Intellectual property advice	Time costs
Courts Advertising	Statutory advertising	Fixed fee
Marsh Insurance	Insurance	Premium
Accurate Mailing	Printing and postage	Per letter
Kennedys	Employee legal advice	Time costs
SIA	Valuation advice	Time costs

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix E** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Administrators' pre-appointment costs

On 2 May 2024, the unsecured creditors passed a resolution that the pre-appointment costs, capped at the sum of £58,473 be approved for payment as an expense of the administration. Please note these costs have not yet been paid but they will be in the next reporting period.

Appendix A

Statutory Information

COMPANY INFORMATION:

Other trading names:	The Body Shop
Company number:	01284170
Registered office:	c/o FRP Advisory Trading Limited, 2nd Floor, 110 Cannon Street, London, EC4N 6EU
Previous registered office:	Watersmead, Littlehampton, West Sussex, BN17 6LS
Business address:	Watersmead, Littlehampton, West Sussex, BN17 6LS

ADMINISTRATION DETAILS:

Administrator(s):	Anthony John Wright, Alastair Rex Massey and Geoffrey Paul Rowley
Address of Administrator(s):	FRP Advisory Trading Limited 2nd Floor, 110 Cannon Street, London, EC4N 6EU
Date of appointment of Administrator(s):	13 February 2024
Court in which administration proceedings were brought:	The High Court of Justice
Court reference number:	CR-2024-000858
Appointor details:	Graham Wiseman Watersmead, Littlehampton, West Sussex, BN17 6LS
Previous office holders, if any:	N/A
Extensions to the initial period of appointment:	N/A
Date of approval of Administrators' proposals:	2 May 2024

Appendix B

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date
- There are no matters to investigate or pursue
- The work that may be undertaken by any subsequently appointed Liquidator has been excluded
- No financial irregularities are identified
- A committee of creditors is not appointed
- There are no exceptional queries from stakeholders
- Full co-operation of the director and other relevant parties is received as required by legislation
- There are no health and safety or environmental issues to be dealt with
- The case will be closed within 2 years

Appendix B

Schedule of Work

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	General Matters	General Matters
	<p>Formulated, monitored, and reviewed the strategy for case progression.</p> <p>Dealt with administrative matters and any queries.</p> <p>Ensured appropriate administration staff members were secured for the duration of the administration across the different workstreams and appropriately briefed in relation to the various roles required.</p> <p>Obtained the Company records to identify all relevant references and information necessary to conduct the administration.</p>	<p>Continue ongoing discussions pertaining to the strategy and ensure this is documented.</p> <p>Review staffing allocations for the duration of the administration.</p> <p>Continue to obtain further information from the Company, as and when required.</p>
	Regulatory Requirements	Regulatory Requirements
	<p>Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations.</p> <p>Completed our internal compliance requirements of take on procedures which included consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act.</p> <p>Consideration of health and safety matters requiring specific regulatory approvals; and environmental concerns regarding the products being sold.</p> <p>Adhered to internal and regulatory protocols as appropriate.</p> <p>Dealing with any GDPR enquiries.</p>	<p>Continue ongoing review of regulatory compliance and take any further actions necessary in accordance with the Money Laundering Regulations, Bribery Act and Data Protection Act.</p> <p>Regular reviews of the conduct of the case and the case strategy as required by the Administrators' regulatory professional body to ensure all statutory matters are attended to and to aid case management and progression.</p> <p>Continue to adhere to GDPR requirements.</p>

Appendix B

Schedule of Work

Ethical Requirements	Ethical Requirements
<p>Prior to the Administrator's appointment, a review of ethical issues was undertaken, and no ethical threats were identified. Further ethical reviews are carried out periodically and no threats have been identified in respect of the management of the insolvency appointment over the period of this report.</p>	<p>Continue to review the case to ensure no ethical issues are identified.</p>
Case Management Requirements	Case Management Requirements
<p>Devised and documented a case strategy, including the decision and justification to continue to trade. This is regularly reviewed to ensure the case is progressed in a timely manner and to explore options available.</p> <p>Setup and administered administration bank accounts. Processed and recorded all receipts and payments on the Insolvency Practitioners System. Setup new payees and ensured complied with cashiers' compliance requirements. Ensured accounts were regularly reconciled to produce accurate and timely reports internally and to creditors as and when required.</p> <p>Contacted the Company's pre-appointment bankers to arrange for all receipts from the date of appointment to be remitted into the administration estate. Reviewed the bank accounts daily and arranged for a sweep of any post-appointments funds/receipts to be remitted to us.</p> <p>Accounted for all payments and receipts of funds. Carried out regular reconciliations of the estate bank accounts.</p> <p>Arranged for insurance of the Company's assets and liaised with our specialist insurance brokers to ensure the appropriate scope and level of cover is in place. Arranged for our brokers to attend site visits to confirm the adequacy of insurance cover in place across the estate and verification that the appropriate health and safety systems and controls were in place.</p>	<p>Continue to review and document the case strategy to ensure the case is progressed, as required.</p> <p>Continue to collect all funds paid into the pre-appointment bank accounts and prepare bank reconciliations.</p> <p>Undertake regular reconciliations of the administration estate bank accounts to enable the production of accurate receipts and payments accounts for reporting purposes. Continue to setup new payees as and when required.</p> <p>Maintain and develop case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly.</p> <p>Conduct regular case and file reviews to monitor statutory compliance and case progression.</p> <p>Ongoing liaison with our insurance brokers to ensure correct covers are in place for the duration of the administration and facilitate any further site visits to comply with insurance requirements.</p> <p>Continue to assist our PR agents and manage any media enquiries and press releases.</p> <p>Regular meetings with the administration team and the Company's management team to advise of strategy to progress the administration.</p>

Appendix B

Schedule of Work

	<p>Corresponded with former advisors to the Company to request third party information to assist with the administration.</p> <p>Onboarded and engaged all professional advisors through appropriate conflict checks and in accordance with regulatory requirements.</p> <p>Setup and maintained files for all case-specific documentation. Updated our case diary system to ensure all statutory and other matters were settled in a timely manner and in accordance with legislation and regulations.</p> <p>Undertook a detailed IT systems audit and arranged for secure backups of all relevant data to be obtained.</p> <p>Considered frequency of ongoing backups of administration data relating to the Company in order to adhere to regulatory requirements and implemented the same.</p> <p>Liaised with the Administrators public relations advisors and monitored all press activity relating to the Company, preparing media statements where required.</p> <p>Regular meetings with the administration team and the Company's management team to advise of strategy and progress of the administration.</p> <p>Dealt with all post, telephone and other enquiries received and updated the Administrators' records on an ongoing basis.</p>	<p>Continue to manage incoming and outgoing post and correspondence.</p> <p>Continue to capture data backups to FRP servers. FRP servers are currently being used for 365 data back ups, this will continue to run for another two months. Separate backups for the non-go forward markets are also underway, this will take a further six months to complete.</p>
2	<p>ASSET REALISATION</p> <p>Work undertaken during the reporting period</p>	<p>ASSET REALISATION</p> <p>Future work to be undertaken</p>
	<p>Reviewed the books and records to ascertain the asset position.</p> <p>Instructed specialist chattel asset valuers to perform a valuation of the assets. Whilst we continue to trade the stock will be sold via our stores</p>	<p>Continue to liaise with HSBC in order to gain access to pre-appointment funds.</p> <p>Initiate work to realise the remaining assets in the estate.</p>

Appendix B

Schedule of Work

<p>and e commerce platform and to our franchise partners on normal credit terms. This continued trading has enabled debtor collections to continue as normal.</p> <p>Instructed specialist valuers to assist with valuations for the sale of the business and assets.</p> <p>Liaised with HSBC to gain access to the Company's pre-appointment bank accounts.</p> <p>Launched a sale process for the underlying business and assets of the Company. Issued a teaser document to a combination of large retailers, inbound enquiries and other known interested parties through FRP's prior dealings in similar sectors and internal database.</p> <p>Progressed bids with a two-tier bidding process in a highly competitive sales process.</p> <p>Negotiated heads of terms for the sale and accompanying exclusivity period to enable comprehensive due diligence required by the purchaser to be successfully undertaken.</p> <p>Diligence support in the form of a daily catch-up calls with RSM (the financial advisors to the purchaser).</p> <p>Progressed a two stage due diligence process with multiple parties on site and in conjunction with Company management.</p> <p>Holding and updating a master tracker of due diligence requests (sale of business and also legal due diligence questions) with queries going between FRP and RSM for the sale of business and between Jones Day and Memery Crystal for the legal due diligence. We updated the document on a daily basis and tracked progress, feeding back to FRP management and chasing outstanding requests on both TBSI and RSM sides.</p>	<p>Finalise the sale of the business and assets through fulfilling all transaction requirements and obligations as seller as contemplated under the asset sale agreement and fulfilling the execution of all accompanying documentation.</p>
---	--

Appendix B

Schedule of Work

	<p>Twice weekly calls (Tues and Thursdays) between JD and FRP to ensure we were up to date on the transaction, and updating them on all workstreams.</p> <p>We attended specific calls/meetings with TBSI executive leadership team and franchises on specific matters relating to the transaction, including:</p> <ul style="list-style-type: none"> • Subsidiary queries on stock • UK distribution centre queries • Product registration • Employee modelling for day one following sale and beyond • Specific supplier calls with the top 5 suppliers (held w/c 6th August) • ALMA 24 calls clarifying which countries were within ALMA 24 • TSA meetings regarding which contracts needed to be included in the TSA and negotiation over the terms of the TSA 	
--	---	--

Appendix B

Schedule of Work

3	CREDITORS Work undertaken during the reporting period	CREDITORS Future work to be undertaken
	<p><u>Unsecured creditors</u></p> <p>Notified all known creditors and suppliers of the Administrators' appointment and invited creditors to lodge their claims.</p> <p>Uploaded all information to the creditors' portal for future access and provided creditors with details to sign up/access.</p> <p>Imported all relevant creditor information into our internal case management system.</p> <p>Lodged all incoming claims into the case management system and ensured all information was accurate. Each claim and supporting documentation have been saved in the electronic filing system.</p> <p>Responded to creditors' queries via phone, email, or written correspondence.</p> <p>Notified creditors of the decision to proceed with a sale of the business and assets rather than continuing to pursue a CVA.</p> <p><u>Preferential Creditors</u></p> <p>Obtained the employee records from the Company's management team to enable any redundancy claims to be processed accordingly.</p> <p>Notified affected employees of their redundancy from the Company.</p> <p>Assisted redundant employees with any queries and processed the employee claims in accordance with the Company records and the Redundancy Payment Services'. Completed RP14 and RP14A forms and submitted them to the Redundancy Payments Service ("RPS").</p>	<p><u>Unsecured creditors</u></p> <p>Continue to review and respond to creditors' queries by phone and written correspondence. Ensure all creditor information is accurately recorded and updated where necessary.</p> <p>Continue to lodge all creditor claims into the case management system and all documentation is filed.</p> <p>Upload all relevant information and reports to the creditors' portal.</p> <p><u>Preferential creditors</u></p> <p>Request the Redundancy Payment Services' final proof of debt to enable their claims to be reconciled accurately.</p> <p>Continue to assist preferential creditors, including the RPS and HMRC with any queries and process all additional claims.</p> <p>Adjudicate and settle preferential claims if sufficient funds available for such a distribution.</p> <p><u>Retention of Title ("ROT")</u></p> <p>Continue to deal with existing creditors and third parties ROT claims to reach conclusion with the assistance of solicitors if required. Deal with any new claims direct with creditors.</p>

Appendix B

Schedule of Work

	<p>Contacting HMRC to advise of the appointment and request their claim against the Company.</p> <p><u>Retention of Title ("ROT")</u></p> <p>Issued ROT questionnaire to all creditors and third parties who have indicated they retain title over stock and items provided to the Company. Ongoing discussions with creditors to provide additional information to substantiate their claims to allow further assessment.</p> <p>Assistance obtained from our agents to differentiate assets subject to ROT and realisable assets belonging to the Company.</p> <p>Assistance obtained from Jones Day in relation to legal issues surrounding a limited number of ROT claims.</p>	
--	--	--

Appendix B

Schedule of Work

4	INVESTIGATIONS Work undertaken during the reporting period		INVESTIGATIONS Future work to be undertaken
	<p>An IP has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>Requested all directors of the Company, both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in the preparation of the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act. The report was submitted following a two-month extension to the deadline for submission of the directors conduct report.</p> <p>Obtained and reviewed the Company's books and records contained on the Company's servers (which includes emails and financial documents). This involved very significant amounts of data reflecting the global nature and complexities of the Company's overall operations.</p> <p>Liaised with Jones Day on potential rights of claim that the Company may have as regards its historic activities.</p>		<p>Once the DBEIS have reviewed the report, they will confirm whether any supplementary information will be necessary to conclude the investigations. Should further information be required, the Administrators will ensure this is obtained and provided accordingly.</p> <p>Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p>
5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period		STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p><u>Appointment Formalities</u></p> <p>Dealt with all appointment formalities including Court documents.</p> <p>Notified relevant parties of the appointment, filed documentation with the Court, creditors, and the Registrar of Companies.</p>		<p><u>Appointment Formalities</u></p> <p>Continue to file all notices with Registrar of Companies and Court and courts advertising.</p> <p>Continue to review the insolvency bond to protect the assets available for creditors.</p>

Appendix B

Schedule of Work

<p>Advertised the Administrators' appointment in line with statute.</p> <p>Arranged for an insolvency bond to protect the assets available for creditors.</p> <p>Notified creditors of their rights to set-up a creditors' committee.</p> <p>Drafted and issued the Joint Administrators' Proposals.</p> <p>Notified all stakeholders of the approved Proposals.</p> <p><u>Statement of Affairs ("SoA")</u></p> <p>Requested director to complete and submit a SoA. Liaised with director upon completion of the SoA.</p> <p>Prepared a draft financial position from the Company records.</p> <p>Filed the SoA at the Registrar of Companies.</p> <p><u>Post-appointment Tax/VAT</u></p> <p>Notified HMRC to send all VAT Returns to the Administrators for completion.</p> <p>Liaised with the Company's former accountants and tax advisors and requesting information on matters they have worked on for the Company.</p> <p>Liaised with HMRC over the VAT status of the bonded warehouse in Littlehampton, taking advice from KMPG and undertaking all steps necessary to enable continued trading of the business.</p> <p><u>Physical Meeting of Creditors</u></p> <p>The Administrators received the number of votes required to convene a physical meeting of creditors on 2 May 2024, for the approval of the Administrators proposals, the basis of the Administrators' remuneration</p>	<p>Deal with any creditor committee setup.</p> <p><u>Post-appointment Tax/VAT</u></p> <p>Prepare and file with HMRC all periodic VAT and Corporation Tax returns in accordance with the accounting and periods</p> <p>Instruct accountants to assist in the preparation of post appointment tax returns in the appropriate territories.</p> <p>Finalise the VAT status of the bonded warehouse.</p> <p><u>Statutory Compliance and Reporting</u></p> <p>Ensure all statutory periodic reports are issued to all relevant parties and filed in accordance with the legislation.</p> <p>Obtain approval to the basis of the Insolvency Practitioners fees by the relevant creditors.</p>
---	--

Appendix B

Schedule of Work

	<p>and the approval of the timing of the Administrators' discharge from liability.</p> <p><u>Statutory Compliance and Reporting</u></p> <p>Placed legal advertisements in the London Gazette, as required by statute.</p> <p>Considered any environmental or health and safety issues and dealt with, as appropriate.</p> <p>Regularly reviewed the case to ensure general matters are adhered to and the case is progressed.</p> <p>Prepared the Administrators proposals and issued to members, preferential and unsecured creditors as required by legislation.</p>		
6	<p>TRADING (where applicable)</p> <p>Work undertaken during the reporting period</p>		<p>TRADING (where applicable)</p> <p>Future work to be undertaken</p>
	<p>Adhering to FRP's internal protocols to obtain approval to continue to trade and provided periodic updates to FRP's compliance team.</p> <p>Liaised with the Company's management team on appointment and outlined and implemented a strategy to continue to operate the business on an ongoing basis. Requested company information and setup a fileshare to transfer sensitive data.</p> <p>Daily / Weekly internal meetings with team to provide updates and highlight any issues.</p> <p><u>Suppliers</u></p> <p>Contact made with key suppliers and notified them of the administration to ensure working relationships to stabilise the business and continue supply of stock. Provided professional undertakings to required suppliers to ensure uninterrupted operations. Collated a schedule of undertakings and reviewed the requirements on an ongoing basis.</p>		<p>Following the completion of the sale of the business and assets on 7 September 2024 the estate has ceased to trade. The Administrators continue to liaise with Newco in regard to a TSA and LTO agreement, this will be ongoing while Newco arrange new agreements.</p> <p>Continue to deal with any outstanding trading expenses.</p> <p>Processing all returns and refunds arising from administration trading.</p> <p>Liaising with merchant service providers to release all funds arising during the administration trading and correctly allocate sales to the administration and purchaser of the business.</p> <p>Release all creditor undertakings provided during the administration trading period and settling all accounts. Issuing emails to all suppliers required under the TSA, issuing new PO's for TSA suppliers as requested by the Purchaser.</p>

Schedule of Work

The Body Shop International Limited (In Administration)
The Administrators' Progress Report

Appendix B

Schedule of Work

<p>Monitored store performance, assisted Company staff with all trading activity including promotional activity, decisions and events.</p> <p>Facilitated store closures with the assistance of Gordon Brothers.</p> <p>Notified utility providers and rates authorities of the closure of stores, as required.</p> <p>Facilitated payment of outstanding rent and other property costs as an expense of the Administration.</p> <p>Liaised with Company staff regarding the following matters:</p> <ul style="list-style-type: none"> • Preservation of the Company's rights under the Landlord and Tenants Act 1985 (L&T Act); • Base rent calculations; • Rent reviews; and • Maintenance requests. <p>Attended daily strategy meetings with Company staff.</p> <p>Discussed the required extension of the Company's rights under the L&T Act with B&B / Knights.</p> <p>Liaised with landlords regarding the above closures and other property matters arising during the appointment.</p> <p>Liaised with CBRE regarding the potential CVA and the market rate for rents across the retail portfolio.</p> <p>Liaised with CBRE regarding the rating appeals commenced by the Company prior to appointment.</p> <p>Liaised with the purchaser regarding the properties to be included as part of the sale of business and the Licence to Occupy (LTO).</p>	<p>Advise suppliers and other relevant parties if any further stores are no longer required and ensure these accounts are closed.</p> <p>Finalise any outstanding amounts owed by the Company in respect of the trading period, including rent, service charge and insurance costs.</p> <p>Liaising with landlords regarding the outstanding rent and property costs attributable to the period of beneficial occupation.</p> <p>Review and update the property schedule as and when required.</p> <p>Liaising with the purchaser and landlords regarding the assignment and/or surrender of leases held in the name of the Company.</p> <p>Coordinating with solicitors regarding the surrender/assignment of leases held in the name of the Company as required.</p> <p>Liaising with the purchaser in respect of the amounts due under the LTO and any other property matters that may arise.</p> <p>Prepare and issue invoices to the purchaser regarding the licence fee due under the LTO.</p> <p>Continuing to facilitate payment of the rent, service charge and insurance costs attributable to the post-completion period.</p> <p>Liaising with the purchaser regarding the preservation of the Company's rights under the L&T act.</p> <p>Liaising with the purchaser, landlords and solicitors regarding any other property matters that may arise.</p> <p>Liaising with the purchaser regarding the extension of the LTO, if required.</p>
--	---

Appendix B

Schedule of Work

	<p><u>Merchant Service Providers</u></p> <p>Engaged with the Company's merchant service providers to notify them of the Administration and make arrangements for all sale proceeds to be paid directly to the Administration bank accounts on a daily basis. Liaised with the merchants' credit risk teams on risk exposures and deposits held.</p> <p>Prepared bank reconciliation and instructed bank to sweep the accounts and remit funds to our estate bank accounts.</p> <p>Ensured continued collection of all cash takings from stores and change service back to stores.</p> <p><u>Employees and Pensions and Payrolls</u></p> <p>Obtained the employee records and established the position of each employee. Wrote to the retained employees to advise of the administration and confirm their ongoing position.</p> <p>Liaised with the Company's payroll provider to issue P45s to redundant employees.</p> <p>Liaised with the Company's management team to prepare the payroll for employees at head office and stores. This was reviewed before salary payments were issued in accordance with the Company's pay day. Prepared payment of the payroll tax liabilities to HMRC.</p> <p>Attended to all inbound employee queries and providing regular updates on Administration progress.</p> <p>Established existence of pension schemes and notified the pension trustees and relevant parties of the administration.</p> <p>Liaised with the management team to prepare a report to the RPS inclusive of any pension arrears prior to the appointment. Requested the</p>		
--	--	--	--

Appendix B

Schedule of Work

	post appointment pension report in preparation for payment to the pension trustees.		
7	LEGAL AND LITIGATION Work undertaken during the reporting period		LEGAL AND LITIGATION Future work to be undertaken
	<p>Sought legal advice on several ROT claims and issued creditor information and agreements.</p> <p>Liaised with solicitors on legal agreement from digital suppliers and to reach agreement for continued supply across all key suppliers to the Company.</p> <p>Obtained legal advice around notifications to employees throughout the period.</p> <p>Took extensive advice on treatment of all of the Company's overseas operations in both FoFo and CoCo markets.</p> <p>Meetings with solicitors on administration trading, the CVA proposal and subsequently regarding the sale process and accompanying documentation.</p> <p>Engaging with JD on all sale documents, provision of notifications to employees, obtaining any releases required, transferring of assets.</p>		<p>Continue to liaise with solicitors on ROT claims and communicate outcome to creditors.</p> <p>Continue to liaise with solicitors regarding former employees' employment tribunal claims.</p> <p>Coordinating with solicitors regarding the surrender/assignment of leases held in the name of the Company as required.</p>

Appendix C

A receipts and payments account for the Period

The Body Shop International Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 13/02/2024 To 12/08/2024 £	From 13/02/2024 To 12/08/2024 £
POST APPOINTMENT SALES		
Sales	60,128,392.20	60,128,392.20
	60,128,392.20	60,128,392.20
PURCHASES		
Stock Purchases	5,204,610.43	5,204,610.43
	(5,204,610.43)	(5,204,610.43)
OTHER DIRECT COSTS		
Direct Wages	16,218,481.88	16,218,481.88
Direct Expenses	25,237.99	25,237.99
Court Payroll Deductions	2,277.73	2,277.73
	(16,245,997.60)	(16,245,997.60)
TRADING EXPENDITURE		
Indirect Labour	164,171.69	164,171.69
Rent, Service Charge and Insurance	4,613,135.07	4,613,135.07
Rates	809,896.07	809,896.07
Security Costs	350.00	350.00
Other Costs	23,591.17	23,591.17
Utilities	668,815.33	668,815.33
Facilities Costs	1,220,329.39	1,220,329.39
Insurance	75,246.28	75,246.28
Professional Fees	1,231,362.81	1,231,362.81
Bank Charges - Trading	30.98	30.98
IT Suppliers	9,467,143.62	9,467,143.62
Hire of Equipment	8,600.31	8,600.31
Repairs & Maintenance	93,968.14	93,968.14
Freight	194,525.35	194,525.35
HMRC	3,575,319.81	3,575,319.81
Vehicle Running Costs	181,293.37	181,293.37
Advertising	47,452.25	47,452.25
Packaging	413,581.84	413,581.84
Postages	502,659.13	502,659.13
Logistics costs	3,502,087.90	3,502,087.90
Engineering	74,232.96	74,232.96
Cash in Transit Services	95,539.50	95,539.50
Intercompany Transfer	5,050,576.88	5,050,576.88
Ransom Payments	2,323,403.72	2,323,403.72
Employee Expenses	78,866.01	78,866.01
HF - Marketing Costs	280,981.31	280,981.31
Storage Costs	10,260.00	10,260.00
Marketing costs	461,866.45	461,866.45
Licence fees	874,454.15	874,454.15
Social Security Contributions	1,924.38	1,924.38
Guernsey Tax	561.59	561.59
Health & Safety	12,092.62	12,092.62
Employee Benefits	334,811.50	334,811.50
Pension Contributions	451,340.98	451,340.98
Subsidiary Support	5,623.00	5,623.00
	(36,850,095.56)	(36,850,095.56)
TRADING SURPLUS/(DEFICIT)	1,827,688.61	1,827,688.61

The Body Shop International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 13/02/2024 To 12/08/2024 £	From 13/02/2024 To 12/08/2024 £
SECURED ASSETS		
Intangible Assets	NIL	NIL
Plant & Machinery	NIL	NIL
Investments	NIL	NIL
Intellectual Property	NIL	NIL
ASSET REALISATIONS		
Bank Interest Gross	288,393.94	288,393.94
Cash at Bank	4,961,302.61	4,961,302.61
Deferred Income tax	NIL	NIL
Fixed Charge Surplus	NIL	NIL
Funds held on account	340,265.32	340,265.32
IFRS16 asset	NIL	NIL
Insurance Refund	4,856.24	4,856.24
Inventory	NIL	NIL
Other non-current assets	NIL	NIL
Other Receivables	750.12	750.12
Plant & Machinery	NIL	NIL
Rates Refunds	13,962.68	13,962.68
Related Parties	NIL	NIL
Rent	54,740.26	54,740.26
Trade Receivables	16,921,960.63	16,921,960.63
Trading Surplus/(Deficit)	1,827,688.61	1,827,688.61
	24,413,920.41	24,413,920.41
COST OF REALISATIONS		
Administrators' Disbursements	53,491.81	53,491.81
Administrators' Remuneration	3,500,000.00	3,500,000.00
Director appointment fees	112,228.00	112,228.00
L8TT Tax	882.00	882.00
Legal Disbursements - IP	35,350.05	35,350.05
Legal Disbursements - Property	4,832.30	4,832.30
Legal Fees - IP	74,027.71	74,027.71
Legal Fees - Property	263,137.88	263,137.88
Legal Fees (1)	24,389.13	24,389.13
Other Property Expenses	23,199.52	23,199.52
PAYE & NI	13,148.19	13,148.19
Prism 339	3,600.00	3,600.00
Statutory Advertising	103.42	103.42
	(4,108,390.01)	(4,108,390.01)
PREFERENTIAL CREDITORS		
Pensions outstanding	NIL	NIL
SECONDARY PREFERENTIAL CREDITORS		
HMRC - PAYE	NIL	NIL
HMRC - VAT	NIL	NIL
FLOATING CHARGE CREDITORS		
Hypothec Claim Settlements	1,294.54	1,294.54
	(1,294.54)	(1,294.54)
85,887,616.00	20,304,235.86	20,304,235.86
REPRESENTED BY		

Appendix C

A receipts and payments account for the Period

**The Body Shop International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs	From 13/02/2024 To 12/08/2024	From 13/02/2024 To 12/08/2024
£	£	£
REPRESENTED BY CONTINUED		
Current Floating Int Bearing		20,901,170.21
Rent Deposit Int Bearing		28,667.41
Trade Creditors		(203,756.36)
Vat Control Account		677,838.85
Vat Payable - Floating		(4,269,074.16)
Vat Recoverable - Floating		3,169,389.91
		20,304,235.86

Appendix C

A receipts and payments account for the Period

The Body Shop International Limited (in Administration) – Receipts and Payments Account - Euros

The Body Shop International Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs €	From 13/02/2024 To 12/08/2024 €	From 13/02/2024 To 12/08/2024 €
POST APPOINTMENT SALES		
Sales	165,594.65	165,594.65
Stock sales to subsidiaries	528,168.01	528,168.01
	693,762.66	693,762.66
TRADING EXPENDITURE		
Overdraft Interest	35,042.50	35,042.50
	(35,042.50)	(35,042.50)
TRADING SURPLUS/(DEFICIT)	658,720.16	658,720.16

The Body Shop International Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs €	From 13/02/2024 To 12/08/2024 €	From 13/02/2024 To 12/08/2024 €
ASSET REALISATIONS		
Stock Sales to Subsidiaries	182,693.10	182,693.10
Trading Surplus/(Deficit)	658,720.16	658,720.16
	841,413.26	841,413.26
	841,413.26	841,413.26
REPRESENTED BY		
Euro Account Int Bearing		841,413.26
		841,413.26

Appendix D

Details of the Administrators' time costs and disbursements for the Period

The Body Shop International - Post (In Administration)

Time charged for the period 13 February 2024 to 12 August 2024

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrlly Rate £
Administration and Planning	177.35	152.85	645.50	153.00	1,128.70	535,389.25	474.34
A&P - Admin & Planning	0.70		65.40	0.10	66.20	27,659.50	417.82
A&P - Strategy and Planning	112.95	68.10	179.85		360.90	205,728.75	570.04
A&P - Case Accounting - General	36.05		0.95		37.00	29,372.50	793.85
A&P - Case Accounting	2.70	1.55	64.75	59.70	128.70	44,631.50	346.79
A&P - Case Control and Review	10.00	0.70	12.60		23.30	13,484.50	578.73
A&P - Fee and WIP			0.60		0.60	243.00	405.00
A&P - General Administration	1.60	0.70	53.25	5.50	61.05	23,625.75	386.99
A&P - Travel		68.70	77.70	5.50	151.90	69,514.50	457.63
A&P - Insurance	1.15	0.70	5.10		6.95	3,702.75	532.77
A&P - Media	11.45	1.10			12.55	9,730.75	775.36
D&C - IT - Discovery / Collection	0.75	11.30	185.30	82.20	279.55	107,695.75	385.25
Asset Realisation	1,136.32	895.39	96.15		2,127.86	1,514,831.40	711.90
ROA - Asset Realisation	47.05	24.20	3.60		74.85	54,408.75	726.90
ROA - Debt Collection			0.10		0.10	48.50	485.00
ROA - Asset Realisation Fixed	1.25				1.25	1,068.75	855.00
ROA - Freehold/Leasehold Property			80.75		80.75	36,111.50	447.20
ROA - Sale of Business	1,014.92	842.30	6.50		1,863.72	1,343,748.10	721.00
ROA - Legal-asset Realisation	61.95	22.30			84.25	63,558.25	754.40
ROA - Asset Realisation Floating	2.60				2.60	2,143.00	824.23
ROA - Stock/ WIP	7.00		1.00		8.00	6,055.00	756.88
ROA - London Contentious Insolvency	0.75				0.75	641.25	855.00
ROA - Licence to Occupy	0.80		3.90		4.70	2,511.50	534.36
Continuency Planning		6.59	0.30		6.89	4,536.80	658.46
Creditors	297.40	479.30	440.25	153.44	1,370.39	746,019.65	544.38
CRE - Employees	45.65	188.40	153.30	111.39	498.74	238,904.65	479.02
CRE - Secured Creditors	10.05	9.00	1.30		20.35	14,248.75	700.18
CRE - Pensions - Creditors			6.40		6.40	2,638.00	412.19
CRE - Unsecured Creditors	22.50	21.90	172.95	33.85	251.20	106,418.75	423.64
CRE - TAX/VAT - Pre-appointment				8.20	8.20	2,255.00	275.00
CRE - Preferential Creditors			0.10		0.10	39.00	390.00
CRE - CUSTOMERS		1.90	0.80		2.70	1,576.00	583.70

Appendix D

Details of the Administrators' time costs and disbursements for the Period

CRE - CUSTOMERS		1.90	0.80		2.70	1,576.00	583.70
CRE - ROT	0.50		0.30		0.80	504.50	630.63
CRE - Legal-Creditors	24.30	2.00			26.30	20,620.50	784.05
CRE - Landlord	185.55	161.60	68.60		415.75	286,958.25	690.22
CRE - Shareholders	8.45				8.45	6,748.75	798.67
Analysis & Modelling	0.40	94.50	36.50		131.40	65,107.50	495.49
Investigation	50.20	347.80	223.80	44.50	666.30	354,076.50	531.41
INV - CDDA Enquiries	0.30	3.90	21.60		25.80	11,711.00	453.91
INV - FTech - Consulting		4.40			4.40	2,834.00	644.09
INV - Investigatory Work	28.15	158.90	86.90	44.50	318.45	165,501.25	519.71
INV - Legal - Investigations	21.75	10.80			32.55	23,776.25	730.45
INV - FTech - Project Management		59.00			59.00	35,732.50	605.64
Inv - Ftech - Data Processing Time		3.60	10.90		14.50	7,201.50	496.66
Inv- Ftech - Case Admin			2.40		2.40	930.00	387.50
INV - London Contentious Insolvency - Inv		104.80	100.10		204.90	104,065.00	507.88
INV - Ftech - Data Tracking			0.30		0.30	145.50	485.00
Inv - Ftech - Data Processing Unit			1.60		1.60	776.00	485.00
Inv - Ftech - Analytics		1.10			1.10	610.50	555.00
Inv - Ftech - Relativity Maintenance		1.30			1.30	793.00	610.00
Statutory Compliance	37.70	117.75	37.50		192.95	111,190.75	576.27
STA - Appointment Formalities		1.25	7.80		9.05	3,549.25	392.18
STA - Statement of Affairs		3.10	0.10		3.20	2,008.00	627.50
STA - Pensions- Other			1.20		1.20	444.00	370.00
STA -Statutory Compliance - General	3.25	5.85	5.50		14.60	8,251.50	565.17
STA - Tax/VAT - Post appointment	0.30	1.15	8.20		9.65	4,138.75	428.89
STA - Statutory Reporting/ Meetings	34.15	106.40	14.70		155.25	92,799.25	597.74
Trading	1,193.60	3,040.35	1,454.46		5,688.41	3,252,314.55	571.74
TRA - Case Accounting - Trading	0.25	15.00	65.75		81.00	34,801.50	429.65
TRA - Trading - General	1,117.05	2,222.25	1,359.86		4,699.16	2,711,809.55	577.08
TRA - Trading forecasting/ Monitoring	36.30	152.00	0.90		189.20	112,134.50	592.68
TRA - Trade-sales/ Purchase	6.80	649.70	19.15		675.65	362,909.50	537.13
TRA - Legal-trading	33.20	1.40	8.80		43.40	30,659.50	706.44
Total Hours	2,892.57	5,033.44	2,897.66	350.94	11,174.61	6,513,822.10	582.91

Appendix D

Details of the Administrators' time costs and disbursements for the Period

**Disbursements for the period
13 February 2024 to 12 August 2024**

	Value £
Category 1	
Accommodation/ Room Hire (External)	1,212.75
Bonding	800.00
Computer Consumables	73.50
Congestion Charge	5.00
Consultancy	13,087.50
Courier	10.10
Flights	262.87
Hotels	16,147.35
Land Registry Charges	3.00
Other Travel	431.23
Parking	10.00
Postage	11,051.12
Relativity Hosting	5,022.37
Subsistence	6,670.70
Taxis	891.20
Train	2,270.13
Category 2	
Car/Mileage Recharge	4,965.57
Car/Mileage Recharge + 1 Person	222.00
Grand Total	63,136.39

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates

Grade	From	
	1st May 2023	1st May 2024
Appointment taker / Partner	675-775	745-855
Managers / Directors	505-610	555-670
Other Professional	315-440	345-485
Junior Professional & Support	200-275	220-305

Appendix E

A statement of expenses incurred in the Period


The Body Shop International Limited (in Administration) Statement of expenses for the period ended 12 August 2024	
Expenses	Period to 12 August 2024 £
Office Holders' remuneration (Time costs)	6,513,822
Office Holders' disbursements	63,136
Agents fees (SIA)	1,500
Legal fees [Bird and Bird]	281,868
Legal fees (A&L Goodbody)	14,000
Legal fees (Burness Paull)	49,167
Legal fees (Knights)	48,070
Legal fees (Jones Day)	2,538,328
Legal fees (Kennedys)	20,060
Legal fees (Intellectual Property)	53,492
Marsh Insurance	10,000
Accurate Mailing	11,051
Statutory Advertising	103
Prism 339	3,600
Legal disbursements - IP	35,350
Other property expenses	23,063
Director appointment fees	112,228
Legal Disbursements (Burness Paull)	40
Gordon Brothers (Store Closures)	73,225
Gordon Brothers (Asset Valuation)	72,500
Gordon Brothers (Expenses)	304,116
Total	10,228,719

Appendix F

Form AM10 - formal notice of the progress report

In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

 Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 01284170

Company name in full The Body Shop International Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s) Anthony John

Surname Wright

3 Administrator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode EC4N 6EU

Country

4 Administrator's name

Full forename(s) Geoffrey Paul

Surname Rowley

Other administrator
Use this section to tell us about another administrator.

5 Administrator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode EC4N 6EU

Country

04/17 Version 1.0

AM10
Notice of administrator's progress report

6 Period of progress report


From date 13/02/2024

To date 12/08/2024

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature X  X

Signature date 12/08/2024

AM10

Notice of administrator's progress report

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Alex Williams
Company name	FRP Advisory Trading Limited
Address	2nd Floor 110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	
DX	cp.london@frpadvisory.com
Telephone	020 3005 4000

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

This is Exhibit "F" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

SCHEDULE "A"

SALE PROCESS

On March 1, 2024, The Body Shop Canada Limited (the "**Company**") filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the "**NOI**") and Alvarez & Marsal Canada Inc. was appointed as the proposal trustee (the "**Proposal Trustee**").

On July 5, 2024, the Company continued the NOI proceeding under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceeding**") and Alvarez & Marsal Canada Inc. was appointed as the monitor (the "**Monitor**").

On July 5, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made an order, which, among other things approved this sale process (the "**Sale Process**").

The purpose of the Sale Process is to identify one or more purchasers of the Company, the Business and/or Assets (each as defined below). Set forth below are the procedures (the "**Procedures**") that shall govern the Sale Process and any transactions consummated as a result thereof.

1. Defined Terms

The following capitalized terms have the following meanings when used in this Sale Process:

"**Assets**" means the assets, undertakings and property of the Company;

"**Bid**" has the meaning given to it in Section 6;

"**Bid Deadline**" has the meaning given to it in Section 6;

"**Bid Requirements**" has the meaning given to it in Section 7;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business;

"**Business**" means the skincare, haircare, bath and body products retail business carried on by the Company;

"**CCAA**" has the meaning given to it in the introduction;

"**CCAA Proceeding**" has the meaning given to it in the introduction;

"**Company**" has the meaning given to it in the introduction;

"**Confidentiality Agreement**" means the confidentiality agreement entered into between the Company and an Interested Party;

"**Court**" has the meaning given to it in the introduction;

"**Data Room**" means an electronic data room containing confidential information in respect of the Company, the Business and the Assets;

"**Deposit**" has the meaning given to it in Section 8(i);

"**dollars**" or "\$" means Canadian dollars;

"**Interested Party**" means potential bidders and includes (a) parties that have approached the Company, the Proposal Trustee, the Monitor, the UK Parent or the UK Administrators indicating an interest in the opportunity, and (b) strategic parties whom the Company or the Monitor believe may be interested in purchasing the

Company or all or part of the Business and Assets (each, an “**Interested Party**” and together “**Interested Parties**”);

"**Outside Date**" means the date that is set out in the Process Letter by which a transaction contemplated by a Bid must close;

"**Procedures**" has the meaning given to it in the introduction;

"**Process Letter**" has the meaning given to it in Section 2;

"**Proposal Trustee**" has the meaning given to it in the introduction;

"**Purchase Price**" has the meaning given to it in Section 8(b);

"**Qualified Bid**" has the meaning given to it in Section 8;

"**Qualified Bidder**" has the meaning given to it in Section 8;

"**Sale Approval Motion**" has the meaning given to it in Section 10;

"**Sale Process**" has the meaning given to it in the introduction;

"**Successful Bid**" has the meaning given to it in Section 9;

"**Successful Bidder**" has the meaning given to it in Section 9;

"**UK Administrators**" means collectively, Geoff Rowley and Alastair Massey of FRP Advisory, as joint administrators of the UK Parent;

"**UK Parent**" means The Body Shop International Limited;

"**UK Purchaser(s)**" means the purchaser or purchasers of “The Body Shop” brand and related intellectual property from the UK Parent; and

"**UK Sale Process**" means the sale process underway in respect of the UK Parent and its assets.

2. **Timeline**

The Monitor shall, no later than five Business Days after a purchaser has been identified in the UK Sale Process, for some or all of the assets of the UK Parent or its business, (a) send a process letter to the service list for the CCAA proceeding and each Interested Party (the “**Process Letter**”), which advise of the commencement of certain key milestones under these Procedures, and (b) post the Process Letter on the Monitor’s website. The following table sets out the key milestones for the Sale Process:

Milestone	Deadline
Commencement of Sale Process	Ongoing
Solicitation of interest and distribution of Confidentiality Agreement	Ongoing
Distribution of the Process Letter to Interested Parties	Five Business Days after the UK Purchaser(s) has been identified in the UK Sale Process for some or all of the assets of the UK Parent, or such other date as the Company and the Monitor determine
Bid Deadline (5:00pm EST)	The date that is set out in the Process Letter , or such other later date or time as may be agreed by the Company, in consultation with the Monitor (the " Bid Deadline ")
Selection of Successful Bid	No later than five Business Days after the Bid Deadline, or such other date as the Company and the Monitor determine

Milestone	Deadline
Sale Approval Motion	As soon as practicable after the selection of the Successful Bid
Outside Date	The date that is set out in the Process Letter

3. **The Procedures**

These Procedures set out the manner in which a party becomes a Qualified Bidder and a Bid becomes a Qualified Bid, the receipt, evaluation and negotiation of Qualified Bids received, and the ultimate selection of Successful Bid and the Court's approval thereof. The Company shall supervise the Procedures and will generally consult with the Monitor in respect of all matters arising out of these Procedures. In the event that there is disagreement as to the interpretation or application of these Procedures, the Court will have the jurisdiction to hear and resolve such dispute.

4. **"As Is, Where Is"**

The sale of the Company, the Business or any part of the Assets will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Company, the Monitor or any of their agents or advisors, except to the extent set forth in the relevant sale or investment agreement with a Successful Bidder. By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business, the Assets or the Company prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Business, the Assets or the Company in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business, the Assets or the Company or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

5. **Solicitation of Interest and Due Diligence**

The Proposal Trustee or the Monitor, as applicable, with the assistance of the Company will send to all Interested Parties (a) a written description of the opportunity, outlining the Procedures and inviting Interested Parties to express their interest pursuant to the Sale Process, and (b) a Confidentiality Agreement, in each case, in form and substance satisfactory to the Company.

The Data Room will be made available to any Interested Party who has executed and delivered a Confidentiality Agreement to the Company prior to the Bid Deadline. An Interested Party's right to access the Data Room or receive any non-public information about the Company shall terminate immediately upon the Bid Deadline.

6. **Bid Deadline**

An Interested Party that wishes to make a bid to acquire the Business, the Company or all, substantially all or any part of the Assets, must deliver an executed copy of a bid (the "**Bid**") to the Monitor by email to the following address:

Alvarez & Marsal Canada Inc.
 Royal Bank Plaza, South Tower
 200 Bay Street, Suite 2900
 P.O. Box 22
 Toronto, ON M5J 2J1 Canada

Attention: Josh Nevsky/Mitchell Binder
Email: jnevsky@alvarezandmarsal.com
binder@alvarezandmarsal.com

so as to be received by it not later than 5:00 p.m. (Eastern Time) on the Bid Deadline.

7. **The UK Purchaser(s)**

The transaction contemplated by a Qualified Bid shall be conditional on the UK Purchaser(s) entering into a license arrangement, franchise agreement or similar arrangement with Qualified Bidder.

The Company and the Monitor may share Qualified Bids with the UK Purchaser(s), including for the purpose of facilitating discussions and advancing license or other arrangements with the UK Purchaser(s) in respect of the use of "The Body Shop" brand by Qualified Bidders.

8. **Bid Requirements**

A Bid will be deemed to be a "**Qualified Bid**" if it is determined by the Company, in consultation with the Monitor, to satisfy the following conditions (the "**Bid Requirements**") and each Interested Party that submits a Qualified Bid will be deemed to be a "**Qualified Bidder**":

- (a) Irrevocable Bid: It includes a letter stating that the Bid is irrevocable until Court approval of the Successful Bid;
- (b) Purchase Agreement. It includes a sealed duly authorized and executed definitive purchase agreement together with all completed schedules thereto containing the detailed terms and conditions of the proposed transaction, including identification of the assets proposed to be acquired, the obligations to be assumed, the purchase price (the "**Purchase Price**"), the detailed structure and financing of the proposed transaction;
- (c) License or other Arrangement. It describes any license arrangement, franchise agreement, or similar arrangement, with the UK Purchaser in respect of the right of such Qualified Bidder to use "The Body Shop" brand;
- (d) Proof of Financial Ability to Perform. It includes written evidence upon which the Company, in consultation with the Monitor, may reasonably conclude that the Interested Party has the necessary financial ability to close the contemplated transaction on or before the Outside Date and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the following:
 - (i) evidence of the Interested Party's internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction;
 - (ii) contact names and phone numbers for verification of financing sources; and
 - (iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Company demonstrating that such Interested Party has the ability to close the contemplated transaction;

- (e) Unconditional Bid. It is not conditioned on (i) the outcome of unperformed due diligence and/or (ii) obtaining financing;
- (f) Parties. It fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid, including whether any prior or current member of the Company's board, management, any employee or consultant to the Company or any creditor) or shareholder of the Company is involved in any way with the Bid or assisted with the Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Bid;
- (g) Acknowledgement. It includes an acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Business and/or the Assets to be acquired, liabilities to be assumed or the Company in making its Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business, Assets to be acquired, liabilities to be assumed, the Company or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;
- (h) Authorization. It includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (i) Deposit. It is accompanied by a cash deposit (the "**Deposit**") in an amount equal to 10% of the Purchase Price that shall be paid to the Monitor in trust, which Deposit shall be held and dealt with in accordance with these Procedures;
- (j) Employees. If applicable, it contains full details of the proposed number of employees of the Company who will become employees of the Qualified Bidder and the proposed terms and conditions of employment to be offered to those employees;
- (k) Other. It contains such other information as may reasonably be requested by the Company or the Monitor; and
- (l) Bid Deadline. It is received by the Monitor, at the address specified in Section 6 (including by email) on or before the Bid Deadline.

The Company, in consultation with the Monitor, may waive any one or more minor and non-material violations of the requirements specified for Qualified Bids and deem such non-compliant Bids to be Qualified Bids.

9. Evaluation of Qualified Bids and Subsequent Actions

The Company, in consultation with the Monitor, shall evaluate Qualified Bids on various grounds including, but not limited to, the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the certainty of closing the transactions contemplated by the Qualified Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Bids.

Following such evaluation, the Company may accept, subject to Court approval, one of the Qualified Bids (each a "**Successful Bid**" and the offeror(s) making such Successful Sale Bid being a "**Successful Bidder**") and take such steps as may be necessary to

finalize definitive transaction documents for the Successful Bid with the Successful Bidder.

No later than five Business Days after the Bid Deadline, or such other date as the Company and the Monitor determine, the Company shall advise the Qualified Bidders if a Successful Bid has been accepted, or conditionally accepted, as the case may be.

10. Sale Approval Motion and Acceptance of Qualified Bids

The Company shall use reasonable efforts to make a motion to the Court (the “**Sale Approval Motion**”) to approve the Successful Bid as soon as practicable following the determination by it of the Successful Bidder. The Company will be deemed to have accepted the Successful Bid only when it has been approved by the Court. All Qualified Bids (other than the Successful Bid) shall be deemed rejected by the Company on and as of the date of approval of the Successful Bid by the Court.

11. Deposits

All Deposits shall be held by the Monitor in a single interest bearing account designated solely for such purpose. A Deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Qualified Bidders not selected as a Successful Bidder shall be returned to such Qualified Bidders within three Business Days of Court approval of the Successful Bid.

12. Modifications and Termination

The Company or the Monitor shall have the right to adopt such other rules for the Procedures (including rules that may depart from those set forth herein) that will better promote the sale of the Company, the Business or all or any part of the Assets under these Procedures. The Company or the Monitor shall apply to the Court if they wish to materially modify or terminate the process set out in these Procedures. For certainty, any amendments to the Bid Deadline or other dates set out in these Procedures shall not constitute a material modification.

This is Exhibit "G" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)



September 6, 2024

Re: The Body Shop Canada Limited – Process Letter

On March 1, 2024, The Body Shop Canada Limited (“**TBS Canada**”) filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the “**NOI**”). On July 5, 2024, TBS Canada continued the NOI proceeding under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and Alvarez & Marsal Canada Inc. was appointed as the monitor (the “**Monitor**”).

Also on July 5, 2024, TBS Canada obtained an Order (the “**Sale Process Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) approving a sale process (the “**Sale Process**”). Further information regarding the Sale Process, including the sale process procedures (the “**Procedures**”), can be found in the Sale Process Order accessible [here](#). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Procedures.

TBS Canada is a subsidiary of The Body Shop International (the “**UK Parent**”). The UK Parent is currently in an administration proceeding in the United Kingdom (the “**UK Administration Proceeding**”). TBS Canada was recently advised that a purchaser has been identified for the business and assets of the UK Parent (the “**UK Purchaser**”) and the UK Purchaser intends to continue to operate the business of the UK Parent on a going-concern basis.

TBS Canada and the Monitor have also been advised that as part of the UK Purchaser’s strategy it intends that the Canadian region be converted into a “franchise territory” and that TBS Canada’s business continue under new ownership pursuant to a franchise agreement to be established with the UK Purchaser.

This Process Letter is being provided pursuant to section 2 of the Procedures. It is intended to provide Interested Parties with information with respect to the submission of a Bid for the business and/or assets of TBS Canada, including: (i) certain key milestones under the Procedures, (ii) the process for submitting a Bid, including Bid requirements, and (iii) advancing a potential franchise arrangement with the UK Purchaser.

Key Milestones

The following table sets out the key milestones for the Sale Process:

Milestone	Deadline
Bid Deadline	5:00 pm EST on Tuesday, October 8, 2024 (“ Bid Deadline ”)
Selection of Successful Bid	Friday, October 11, 2024, or such later date as may be determined by the Company, in consultation with the Monitor.
Outside Date	Friday, November 15, 2024

Bid Requirements

As set out in the Sale Process Order, your Bid must comply with the Bid Requirements set out in the Procedures and listed below:

- A. *Irrevocable Bid*: It includes a letter stating that the Bid is irrevocable until Court approval of the Successful Bid;

- B. Purchase Agreement: It includes a sealed, duly authorized and executed definitive purchase agreement together with all completed schedules thereto containing the detailed terms and conditions of the proposed transaction, including identification of the assets proposed to be acquired, the obligations to be assumed, the purchase price (the “**Purchase Price**”) and the detailed structure and financing of the proposed transaction;
- C. Franchise Arrangement: It describes any franchise arrangement, or similar arrangement, with the UK Purchaser in respect of the right of such Qualified Bidder to use “The Body Shop” brand;
- D. Proof of Financial Ability to Perform: It includes written evidence upon which the Company, in consultation with the Monitor, may reasonably conclude that the Interested Party has the necessary financial ability to close the contemplated transaction on or before the Outside Date and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the following: (i) evidence of the Interested Party’s internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction; (ii) contact names and phone numbers for verification of financing sources; and (iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Company demonstrating that such Interested Party has the ability to close the contemplated transaction;
- E. Unconditional Bid: It is not conditioned on: (i) the outcome of unperformed due diligence; and/or (ii) obtaining financing;
- F. Parties: It fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid, including whether any prior or current member of the Company’s board, management, any employee or consultant to the Company or any creditor or shareholder of the Company is involved in any way with the Bid or assisted with the Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Bid;
- G. Acknowledgement: It includes an acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Business and/or the Assets to be acquired, liabilities to be assumed or the Company in making its Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business, Assets to be acquired, liabilities to be assumed, the Company or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;
- H. Authorization: It includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Interested Party’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- I. Deposit: It is accompanied by a cash deposit (the “**Deposit**”) in an amount equal to 10% of the Purchase Price that shall be paid to the Monitor in trust, which Deposit shall be held and dealt with in accordance with these Procedures;
- J. Employees: If applicable, it contains full details of the proposed number of employees of the Company who will become employees of the Qualified Bidder and the proposed terms and conditions of employment to be offered to those employees; and

K. Other: It contains such other information as may reasonably be requested by the Company or the Monitor.

Franchise Arrangement

In advance of the Bid Deadline, the Monitor will be arranging for Interested Parties to meet with the UK Purchaser and with certain of the UK Parent's employees who will be responsible for the UK Purchaser's go-forward franchise arrangements. The purpose of these meetings will be to allow Interested Parties to explore the terms of a potential franchise arrangement with the UK Purchaser, including but not limited to: (i) the form of agreement; (ii) operating, strategy, growth and marketing considerations; (iii) establishing a price for future inventory purchases; and (iv) other relevant matters.

Bid Submission

Interested Parties wishing to pursue a transaction are being asked to submit a Bid by email on or before the Bid Deadline to the attention of:

Josh Nevsky
Managing Director
jnevsky@alvarezandmarsal.com

Mitch Binder
Associate
mbinder@alvarezandmarsal.com

Bids that, among other factors, maximize value for TBS Canada's stakeholders, provide for execution certainty and speed, have no or minimal conditionality, and demonstrate an ability and willingness to complete the transaction in an expeditious manner will be favored. We also remind you of the importance of the mission and values of "The Body Shop" and suggest that you describe in your Bid how that will be taken into consideration in the future operation of the business.

Neither the Monitor, nor TBS Canada, its affiliates and its advisors assume any liability or obligation whatsoever to any Interested Party in connection with the Sale Process, including, but not limited to, as a result of the rejection of any or all of the Bids, the acceptance of another Interested Party's Bid or the amendment or termination of the Sale Process and, for further clarity, the Monitor and TBS Canada expressly reserve the right at any time, with or without providing notice or reasons, to do any of the foregoing. No party will be entitled for any reason (including, without limitation, any modification of the Procedures contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the Procedures described in this letter, as such Procedures may be modified from time to time. No finder's fees, commissions, expenses or other compensation will be paid by TBS Canada, its affiliates or its advisors to agents, consultants, advisors or other intermediaries of any party. TBS Canada, its affiliates and its advisors reserve the right to amend any information which has been made available to Interested Parties whether by way of addition, deletion, amendment or otherwise.

Pursuant to the Confidentiality Agreement, under no circumstances are you permitted to contact any of the UK Parent, the UK Purchaser or TBS Canada's executives, employees, directors, shareholders, affiliates, lenders, customers, suppliers, vendors or service providers with respect to any transaction unless consented to by TBS Canada or the Monitor. All communications or inquiries regarding the Sale Process or any other matters, relating to this letter should be directed to the Monitor.

We appreciate your interest and look forward to receiving your Bid.



From: Hoy, Alec <ahoy@cassels.com>

Sent: September 6, 2024 2:30 PM

To: MacParland, Natasha <NMacParland@dwvpv.com>; Renner, Natalie <nrenner@dwvpv.com>; Jatinder.Bains@macfarlanes.com; Natalie.Peacock@macfarlanes.com; jnevsky@alvarezandmarsal.com; mbinder@alvarezandmarsal.com; kmeng@alvarezandmarsal.com; Levine, Natalie <nlevine@cassels.com>; Kenneth.silverman@rimonlaw.com; Courtney.roman@rimonlaw.com; Brian.powers@rimonlaw.com; tony.Wright@frpadvisory.com; Graham.Wiseman@thebodyshop.com; geoff.rowley@frpadvisory.com; dtmoss@jonesday.com; christina.nayman-mills@aurelius-group.com; pdeluca@owenswright.com; torbankruptcy@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; andrew.hill@novascotia.ca; DeptJPS@gov.pe.ca; insolvency.unit@ontario.ca; informations@justice.gouv.qc.ca; justice@gov.nl.ca; ministryofjustice@gov.ab.ca; minjus@leg.gov.mb.ca; justice.comments@gnb.ca; jus.minister@gov.sk.ca; Djmiller@tgf.ca; dbish@torys.com; lgalesiere@clegal.ca; gcamelino@clegal.ca; mcitak@grllp.com; bbrooksbank@blg.com; jwolf@blaney.com; bjones@blaney.com; john.salmas@dentons.com; mark.freake@dentons.com; mitch.kowalski@gtaa.com; ahatnay@kmlaw.ca; jharnum@kmlaw.ca; ashamim@kmlaw.ca; Kirryn.Hashmi@fcr.ca; bmexin@simon.com; csavard@primarisreit.com; aedwards@primarisreit.com; dgreene@primarisreit.com; gbialek@primarisreit.com; cfortowsky@primarisreit.com; notices@strathallen.com; hedwards@primarisreit.com; vwillford@morguard.com; josef@royallepage.ca; awilliams@primarisreit.com; tattard@strathallen.com; hpatel@primarisreit.com; Ayesha.Laldin@justice.gc.ca; julie.l.matte@servicecanada.gc.ca

Subject: In the Matter of The Body Shop Canada Limited [Court File No. CV-24-00723586-00CL] - Bid Process Letter

External Email / Courriel externe

To the Service List:

We are counsel to Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed Monitor (in such capacity, the “**Monitor**”) in the above named matter.

Pursuant to the Sale Process Procedures, as approved by the Sale Process Order of the Court issued July 5, 2024 and appended thereto, please find attached the Bid Process Letter.

Regards,

Cassels | **ALEC HOY**
Associate
t: +1 416 860 2976
e: ahoy@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

This message, including any attachments, is privileged and may contain confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. Communication by email is not a secure medium and, as part of the transmission process, this message may

be copied to servers operated by third parties while in transit. Unless you advise us to the contrary, by accepting communications that may contain your personal information from us via email, you are deemed to provide your consent to our transmission of the contents of this message in this manner. If you are not the intended recipient or have received this message in error, please notify us immediately by reply email and permanently delete the original transmission from us, including any attachments, without making a copy.

[Categories](#) ▾[Data](#) ▾[Webinars](#)[Directory](#)[Advertise](#)[About Us / Contact](#)[Login](#)[Subscribe](#)[Insolvency Insider Canada](#) > [Posts](#) > [The Body Shop Canada - Sale Process](#)

The Body Shop Canada - Sale Process

[Insolvency Insider](#)

September 10, 2024

[f](#)[X](#)[in](#)

Alvarez & Marsal Canada Inc., in its capacity as monitor (the “**Monitor**”) of The Body Shop Canada Limited (“**TBS Canada**” or the “**Company**”), is soliciting offers for the purchase of, or investment in, any or all of TBS Canada’s assets or business.

The Body Shop is an iconic beauty brand with a mission to provide ethically sourced and cruelty-free beauty products. The Body Shop has evolved from being a “body”-only brand to a multi-category portfolio offering skincare, haircare, cosmetic and fragrance products. Headquartered in Toronto, TBS Canada currently operates 71 stores in seven provinces, primarily located in major shopping malls.

TBS Canada historically operated as a subsidiary of The Body Shop International Limited (“**TBSI**”), its United Kingdom based parent company. On February 13, 2024, TBSI commenced Administration proceedings in the United Kingdom which forced various subsidiaries globally, including TBS Canada, to seek creditor protection. On September 6, 2024, TBSI announced that Auréa Group (the “**UK Purchaser**”) had successfully acquired assets of TBSI and that the UK Purchaser intends to continue to operate the UK business



UK Purchaser's strategy it intends to convert the Canadian region into a "franchise territory" and that TBS Canada's business continue under new ownership pursuant to a franchise agreement to be established with the UK Purchaser.

Also on September 6, 2024, the Monitor and TBS Canada issued a Process Letter (available [HERE](#)), establishing milestones in the Sale Process for TBS Canada, including a bid deadline of **October 8, 2024 (the "Bid Deadline"). Further details in respect of the Court-approved Sale Process can be obtained by contacting the Monitor at thebodyshop@alvarezandmarsal.com.**

Keep reading



Galaxie Group - Sales and Investment Solicitation Process



Citiport Developments Ltd. - land for sale



G3 Genuine Guide Gear Inc. - Sale Process

[View more >](#)





Insolvency Insider
Canada

Essential Canadian insolvency
news, trends and legal updates

- Home

Posts

Authors
- Data

Filing

Database

Document

Library

League

Leaders
- Webinars

Webinars

Ent...

Subscribe

This is Exhibit "H" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

Subject: TBS Canada - Request for Update on Proceedings
Date: 2024-08-09 5:57 PM
From: "Abir Shamim" <ashamim@kmlaw.ca>
To: "MacParland, Natasha" <NMacParland@dwpv.com>, "jdietrich@cassels.com" <jdietrich@cassels.com>
Cc: "Andrew J. Hatnay" <ahatnay@kmlaw.ca>, "Veronica De Leoz" <vdeleoz@kmlaw.ca>

External Email / Courriel externe

Dear Ms. MacParland and Ms. Dietrich,

We understand FRP Advisory Trading Limited, the administrator of The Body Shop International ("TBS UK"), has entered into an exclusive agreement with the investment firm, Auréa. Given its licensing agreement and reliance on TBS UK for inventory, we understand TBS Canada's ability to continue as a going concern is dependent on the UK administration proceeding. However, [media reports](#) (see attached article – "The Body Shop International nears sale – but it doesn't include Canadian assets") indicate the agreement entered into with Auréa does not include TBS Canada. Is counsel for TBS Canada or the Monitor able to provide an update as to what implication this has for the company?

We understand The Body Shop France, which was also excluded from the agreement with Auréa, was [placed into judicial liquidation](#) (after a judicial receivership) due to their inability to attract buyers who were willing to purchase premises and inventory that TBS France does not have brand rights to (see attached article).

At the July 4, 2024 motion to convert the proposal to a CCAA proceeding, TBS Canada stated it aimed to seek a buyer in advance of the holiday season. To this day, TBS Canada and the Monitor have not reported on any potential buyers for the company. Given its exclusion from the Auréa purchase, we feel TBS Canada, like TBS France, should make an assignment in bankruptcy. This approach will have a beneficial impact on terminated employees by ensuring they can apply for a WEPP payment.

We would like to have a call with you next week to discuss the Auréa purchase and next steps for TBS Canada. As you know, the Endorsement of Justice Osborne, dated April 24, 2024, instructs TBS Canada to keep its stakeholders, including the employees, aware of any developments.

Kind regards,

Abir



Abir Shamim (she/her)

Associate

T: +1 416-595-2039 | F: +1 416-204-2876 | E: ashamim@kmlaw.ca

Koskie Minsky LLP, 20 Queen Street West, Suite 900, Toronto, ON.. M5H 3R3

kmlaw.ca

This e-mail message is privileged, confidential and subject to copyright. Any unauthorized use or disclosure is prohibited.
Le contenu du présent courriel est privilégié, confidentiel et soumis à des droits d'auteur. Il est interdit de l'utiliser ou de le divulguer sans autorisation.

This is Exhibit "I" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

DAVIES

155 Wellington Street West
Toronto, ON M5V 3J7 Canada

dwpv.com

Natalie Renner
T 416.367.7489
F 416.863.0871
nrenner@dwpv.com

File 289456

August 15, 2024

BY EMAILAbir Shamim
Koskie Minsky LLP
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3

Dear Abir:

The Body Shop Limited Canada (“TBS Canada”) – CCAA Proceedings

We write in response to your email dated August 9, 2024. You state that TBS Canada should make an assignment into bankruptcy “given its exclusion from the Aurea purchase” of the assets of The Body Shop International (the “**UK Parent**”) in the United Kingdom. You also suggest that the cause of The Body Shop France’s assignment into bankruptcy was its exclusion from Aurea’s purchase of the assets of the UK Parent. Both of these assertions are based on flawed premises.

Based on the news article you cited, The Body Shop France made its assignment into bankruptcy due to its failure to identify a purchaser of its assets in its own receivership proceeding. Its assignment into bankruptcy does not appear to have been caused by the terms of the Aurea purchase. With regard to TBS Canada, we would remind you that the UK Parent does not own the assets of TBS Canada. Accordingly, any potential asset purchase transaction between the UK Parent and Aurea would not include the assets of TBS Canada. Instead, there are ongoing conversations between Aurea, TBS Canada, and the Monitor in connection with continuing the sale process that was approved by the Court pursuant to the Order dated July 5, 2024 (the “**Sale Process**”). The Sale Process was designed to identify a purchaser of TBS Canada’s assets and business on a going-concern basis. Any suggestion that TBS Canada should or has no choice but to make an assignment into bankruptcy at this juncture is mistaken and inappropriate.

At this stage, disclosing details about the Sale Process could compromise its integrity. As contemplated by the Sale Process, in due course a Bid Process Letter will be distributed to, among others, the service list, which is expected to provide stakeholders with the latest information regarding the Sale Process.

As you are aware, TBS Canada currently employs approximately 570 individuals in Canada and engages approximately 30 independent contractors in the United States. These approximately 600 jobs would be lost if TBS Canada were to make an assignment into bankruptcy. Further, TBS Canada

DAVIES

continues to operate approximately 70 store locations under leases with various landlords across Canada. Your suggestion that TBS Canada file for bankruptcy would cause significant prejudice to these stakeholders. Moreover, there is no justification for doing so at this time given that TBS Canada is actively pursuing a going-concern solution for its business in Canada.

The endorsement of Justice Osborne dated April 24, 2024, which was attached to your email, requires TBS Canada to continue to update stakeholders on significant events or matters directly affecting them in the usual course. Currently, no such additional developments or issues have transpired or arisen that necessitate an update.

Yours very truly,



Natalie Renner

cc Natasha MacParland and Chenyang Li (*Davies Ward Phillips & Vineberg LLP*)
 Jane Dietrich and Alec Hoy (*Cassels Brock & Blackwell LLP*)
 Josh Nevsky and Mitchell Binder (*Alvarez & Marsal Canada Inc.*)
 Jordan Searle (*The Body Shop Canada Ltd.*)
 Andrew Hatnay and James Harnum (*Koskie Minsky LLP*)

This is Exhibit "J" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

From: Renner, Natalie

Sent: September 19, 2024 1:40 PM

To: Abir Shamim <ashamim@kmlaw.ca>

Cc: Andrew J. Hatnay <ahatnay@kmlaw.ca>; MacParland, Natasha <NMacParland@dwpv.com>; Li, Chenyang <CLi@dwpv.com>; Nevsky, Joshua <jnevsky@alvarezandmarsal.com>; Levine, Natalie <nlevine@cassels.com>

Subject: The Body Shop Canada

Abir,

I write further to our letter of August 15, 2024. As you may recall, in that letter we advised that a process letter would be distributed to the service list that would provide stakeholders with the latest information regarding the sale process. As you are aware, that the Company circulated the process letter on September 6, 2024, establishing a bid deadline of October 8, 2024 in respect of the sale process.

Please let us know if you have any questions about the content of the process letter. We would be pleased to set up a call to discuss.

Thanks
Natalie

This is Exhibit "K" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

Guarantee and Indemnity

The Companies listed in Schedule 1
as Original Guarantors
Aurelius IV UK Acquico Seven Limited
as Lender

Dated 202



Contents

PARTIES	1
1 Definitions and interpretation	1
2 The Loan Agreement	3
3 Guarantee and Indemnity	3
4 Nature of Guarantee	3
5 Reinstatement	4
6 Waiver of defences	4
7 Guarantor intent	4
8 Appropriations and suspense account	5
9 Deferral of Guarantor's rights	5
10 Representations of each Guarantor	6
11 Set-off	7
12 Payment	8
13 Costs and expenses	8
14 Default interest	9
15 Currencies	9
16 Indemnity	9
17 Changes to parties	9
18 Miscellaneous	10
19 Other Guarantors	11
20 Notices	11
21 Counterparts	12
22 Governing law	12
23 Enforcement	12
SIGNATURE PAGE	16
SCHEDULES	
SCHEDULE 1 ORIGINAL GUARANTORS	13
SCHEDULE 2 FORM OF ACCESSION DEED	14

This Guarantee and Indemnity is made on

202

Parties

- (1) The Companies listed in Schedule 1 (*Original Guarantors*) as original guarantors (the **Original Guarantors**);

in favour of:

- (2) **Aurelius IV UK Acquico Seven Limited**, a company incorporated in England with company number 01284170 (the **Lender**).

It is agreed:

1 Definitions and interpretation

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Loan Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) the following terms have the following meanings:

Accession Deed means a document substantially in the form set out in Schedule 2 (*Form of Accession Deed*);

Additional Guarantor means a company which becomes a party to this Deed by executing an Accession Deed;

Borrower means The Body Shop International Limited a company incorporated and registered under the laws of England and Wales with number 01284170;

Default Rate means the rate of interest determined in accordance with clause 9.5 (*Interest and fees*) of the Loan Agreement;

Guaranteed Obligations has the meaning given to that term in clause 3(a);

Guarantor means an Original Guarantor or an Additional Guarantor;

Intercreditor Agreement means any intercreditor deed entered into after the date of this Deed between, amongst others, (1) the Borrower, (2) the Lender and (3) a Senior Lender as it may from time to time be amended, restated, novated or replaced.

Loan Agreement means the loan agreement made on or about the date of this Deed between (1) the Lender as Lender and (2) the Borrower as Borrower as it may from time to time be amended, restated, novated or replaced (however fundamentally, including by an increase of any size in the amount of the facilities made available under it, the alteration of the nature, purpose or period of those facilities or the change of its parties);

Party means a party to this Deed and includes the Lender whether or not it is a signatory to this Deed; and

Senior Lender means any third party bank, fund or financial institution providing loan facilities to the Borrower.

1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to:
 - (i) the **Borrower**, a **Guarantor**, an **Obligor**, the **Lender** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **this Deed**, the **Loan Agreement**, any other **Finance Document** or any other agreement or instrument is a reference to this Deed, the Loan Agreement, that Finance Document or other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the Borrower's obligations or provides for further advances);
 - (iii) **including** or **includes** means including or includes without limitation;
 - (iv) **Guaranteed Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any Obligor;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) the singular includes the plural and vice versa.
- (b) References to clauses, paragraphs and schedules are to be construed, unless otherwise stated, as references to clauses, paragraphs and schedules of this Deed and references to this Deed include its schedules.
- (c) Clause and schedule headings are for ease of reference only and shall not affect the construction of this Deed.
- (d) If the Lender reasonably considers that an amount paid by any Guarantor under this Deed or by an Obligor under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the relevant Obligor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Third party rights

A person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.4 Intercreditor Agreement

This Deed is subject to the terms of any Intercreditor Agreement. In the event of any inconsistency between any provision of this Deed and any provision of any Intercreditor Agreement, the provision of the relevant Intercreditor Agreement shall prevail.

1.5 Joint and several

The liabilities of the Guarantors to the Lender under this Deed are joint and several.

2 The Loan Agreement

Each Guarantor confirms that it has been provided with the form of Loan Agreement agreed in writing by or on behalf of the Borrower and the Lender and which is agreed to be in final form prior to execution of this Deed and acknowledges the terms of the Loan Agreement.

3 Guarantee and Indemnity

Each Guarantor irrevocably and unconditionally, jointly and severally:

- (a) guarantees to the Lender the punctual performance by each Obligor of all of that Obligor's obligations under the Finance Documents (the **Guaranteed Obligations**);
- (b) undertakes with the Lender that whenever another Obligor does not pay any amount of the Guaranteed Obligations when due, that Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by each Guarantor under this indemnity will not exceed the amount it would have had to pay under this Deed if the amount claimed had been recoverable on the basis of a guarantee.

4 Nature of Guarantee

4.1 Continuing guarantee

This Deed is a continuing guarantee and will extend to the ultimate balance of all the Guaranteed Obligations, regardless of any intermediate payment or discharge in whole or in part.

4.2 Additional and separate guarantee

This Deed is in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee or security which the Lender may at any time hold for any of the Guaranteed Obligations.

4.3 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on their behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from any Guarantor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

4.4 No discharge

If the Lender releases or discharges any Guarantor from this Deed (or any other guarantor from any other guarantee of the Guaranteed Obligations (or part of them)), or accepts any

composition from or makes any arrangements with any of them, it shall not, as a result, release or discharge any other party from this Deed or any other guarantee.

5 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Borrower or any Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

6 Waiver of defences

The obligations of each Guarantor under this Deed will not be affected by an act, omission, matter or thing which, but for this Deed, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it, the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, the Borrower or any other Guarantor or other person;
- (b) the release of the Borrower or any other Guarantor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Borrower or any other Guarantor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Borrower or any other Guarantor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) any other act, event or omission which, but for this clause 6, might operate to discharge or impair any of the obligations of any Guarantor contained in this Deed or any of the rights, powers or remedies conferred upon the Lender by this Deed or by law.

7 Guarantor intent

Without prejudice to the generality of clause 6 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance

Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variations or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

8 Appropriations and suspense account

8.1 Right of appropriation

- (a) All monies received or recovered by the Lender, from any of the Guarantors, Obligors or the Borrower or any other person in respect of the Guaranteed Obligations may be applied by the Lender to reduce any part of the Guaranteed Obligations or as it sees fit or in accordance with clause 8.2 (*Application and suspense account*).
- (b) Any such appropriation shall override any appropriation by the Guarantors.

8.2 Application and suspense account

Until all the amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and each Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from each Guarantor or on account of each Guarantors' liabilities under this Deed.

9 Deferral of Guarantor's rights

9.1 Deferral of rights

Until all the amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, and unless the Lender otherwise directs, no Guarantor shall exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by the Borrower or any other Guarantor or to make or enforce any claim or right against the Borrower or any other Guarantor, including any rights of subrogation to the Lender's position with respect to any payments made in respect of this Deed;
- (b) to claim any contribution from any other Guarantor or other guarantor of the Obligors' obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which each Guarantor has given a guarantee, undertaking or indemnity under clause 3 (*Guarantee and Indemnity*);
- (e) to exercise any right of set-off against an Obligor; and/or
- (f) to claim or prove as a creditor of an Obligor in competition with the Lender.

If any Guarantor receives any benefit, payment or distribution in relation to such rights or any security as a result of any breach of clause 9.2 (*No security*) it shall:

- (i) hold that benefit, payment, security or distribution, to the extent necessary to enable all the Guaranteed Obligations to be repaid in full on trust for the Lender; and
- (ii) promptly pay or transfer the same to the Lender or as the Lender may direct for application in or towards discharge of the Guaranteed Obligations.

9.2 No security

Until all the amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, and unless the Lender otherwise directs, no Guarantor shall have or take from an Obligor or any other surety for any Guaranteed Obligation any security in respect of its liability under this Deed or in respect of any other obligation or liability which an Obligor has or may in future have to the relevant Guarantor.

9.3 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

10 Representations of each Guarantor

10.1 General

To induce the Lender to enter into the Loan Agreement, each Guarantor makes the representations and warranties set out in this clause 10 to the Lender on the date of this Deed (or, in the case of an Additional Guarantor, the date of the relevant Deed of Accession).

10.2 Status

It is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation and it has the power to own its assets and carry on its business as it is being conducted.

10.3 Binding obligations

This Deed has been duly executed and delivered by the Guarantor and the obligations expressed to be assumed by the Guarantor in this Deed are valid, legal, binding and enforceable.

10.4 Non-conflict with other obligations

The entry into and performance by the Guarantor of this Deed and the transactions contemplated by it do not and will not conflict with:

- (a) any law or regulation applicable to it;

- (b) the constitutional documents of the Guarantor; or
- (c) any agreement or other obligation binding on the Guarantor or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument in each case the effect of which has or is reasonably likely to have a Material Adverse Effect.

10.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the giving of the guarantee or indemnity contemplated by this Deed.

10.6 Validity and admissibility in evidence

- (a) All governmental and other authorisations, approvals, licences and consents required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under, this Deed, and to make this Deed admissible in evidence in its jurisdiction of incorporation have been obtained or effected and are in full force and effect.
- (b) All material governmental and other authorisations necessary for the conduct of the business, trade and ordinary activities of the Guarantor have been obtained or effected and are in full force and effect.

10.7 Insolvency

No corporate action, legal proceeding or other procedure or step described in clause 10 of the Loan Agreement is being taken or, to the knowledge of the Guarantor, is threatened in relation to the Guarantor.

10.8 Anti-corruption

It has conducted its businesses in all material respects in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

10.9 No breach of laws

It is not in breach of any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

10.10 Repetition

The representations and warranties set out in this clause 10 are also deemed to be made by each Guarantor by reference to the facts and circumstances then existing on each date on which any representation or warranty is made or deemed to be made by the Borrower pursuant to the Loan Agreement.

11 Set-off

11.1 Set-off rights

- (a) The Lender may (but shall not be obliged to) set off any obligation which is due and payable by any Obligor and unpaid (whether under the Finance Documents or which

has been assigned to the Lender by any Obligor against any obligation (whether or not matured) owed by the Lender to such Obligor, regardless of the place of payment, booking branch or currency of either obligation.

- (b) At any time after an Event of Default has occurred and is continuing (and in addition to its rights under clause 11.1(a)), the Lender may (but shall not be obliged to) set-off any contingent liability owed by any Obligor under any Finance Document against any obligation (whether or not matured) owed by the Lender to such Obligor, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.

12 Payment

12.1 Payments

Subject to clause 12.2 (*Gross-up*), all payments to be made by each Guarantor under this Deed shall be made without (and free and clear of, and without any deduction for or on account of) any set-off or counterclaim, or (except to the extent compelled by law) any deduction or withholding for or on account of tax.

12.2 Gross-up

If any Guarantor is compelled by law to make any deduction or withholding from any sum payable under this Deed to the Lender, the sum so payable by each Guarantor shall be increased so as to result in the receipt by the Lender of a net amount equal to the full amount expressed to be payable under this Deed.

13 Costs and expenses

13.1 Transaction and amendment expenses

Each Guarantor shall within three Business Days of demand pay to the Lender the amount of all reasonable costs, charges and expenses (including, without limitation, reasonable legal fees, valuation, accountancy and consultancy fees (and any VAT or similar Tax thereon)) incurred by the Lender in connection with:

- (a) the negotiation, preparation, printing, execution, registration, perfection and completion of this Deed or any document referred to in this Deed; or
- (b) any actual or proposed amendment or extension of, or any waiver or consent under, this Deed.

13.2 Enforcement and preservation costs

Each Guarantor shall promptly on demand pay to the Lender the amount of all costs, charges and expenses (including, without limitation, legal fees and any VAT or similar Tax thereon) incurred in connection with the enforcement, exercise or preservation (or the attempted enforcement, exercise or preservation) of any of their respective rights under this Deed or any document referred to in this Deed.

14 Default interest

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the Default Rate from time to time. Default interest will accrue from day to day and will be compounded at such intervals as the Lender considers appropriate.

15 Currencies

15.1 Currency of account

Payments under this Deed in relation to the Guaranteed Obligations shall be made in the currency demanded and each payment in respect of costs, expenses or Taxes under this Deed shall be made in the currency in which the costs, expenses or Taxes are incurred.

15.2 Currency indemnity

If any sum due from any Guarantor under this Deed (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:

- (a) making or filing a claim or proof against each Guarantor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

each Guarantor shall, as an independent obligation, indemnify the Lender on demand, against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Lender at the time of its receipt of that Sum.

15.3 Waiver

Each Guarantor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

16 Indemnity

Each Guarantor shall indemnify the Lender promptly on demand, against any cost, loss, liability or expense (however arising) incurred by the Lender as a result of or in connection with any breach by the relevant Guarantor of any of its obligations under this Deed.

17 Changes to parties

17.1 Additional Guarantors

- (a) A member of the Group shall become an Additional Guarantor if the Borrower and the proposed Additional Guarantor deliver to the Lender a duly completed and executed Accession Deed and a copy of all other documents or evidence required by the Lender in relation to such member of the Group in form and substance satisfactory to the Lender.

17.2 Repetition of Representations

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in clause 10 (*Representations of each Guarantor*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

17.3 The Guarantors

A Guarantor may not assign or transfer any of its rights or obligations under this Deed.

17.4 The Lender

The Lender may assign or transfer all or any part of its rights under this Deed. Each Guarantor shall, immediately upon being requested to do so by the Lender and at the cost of such Guarantor, enter into such documents as may be necessary or desirable to effect such transfer.

18 Miscellaneous

18.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are prima facie evidence of the matters to which they relate.

18.2 Calculations and certificates

Any certification of or determination by the Lender specifying the amount of any Guaranteed Obligation due from each Guarantor or other obligation due from any Obligor (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against any Obligor of the matters to which it relates.

18.3 Partial invalidity

If at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

18.4 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed or any Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed and/or any Finance Document, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

18.5 Amendments and waivers

Any provision of this Deed may be amended only if the Lender and each Guarantor so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Lender so agrees in writing. A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

19 Other Guarantors

Each Guarantor agrees to be bound by this Deed notwithstanding that any other person intended to execute or be bound by this Deed or by any other guarantee or assurance under or pursuant to any Finance Document may not do so or may not be effectually bound.

20 Notices

20.1 Communication in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

20.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

- (a) in the case of each Original Guarantor, that identified with its names;
- (b) in the case of the Lender, that identified with its name; and
- (c) in the case of each other Guarantor, that notified in writing to the Lender on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer as each Guarantor or the Lender may notify to the other Party by not less than five Business Days' notice.

20.3 Delivery

- (a) Subject to clause 20.3(b), any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under clause 20.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer specified in clause 20.2 (*Addresses*) (or any substitute department or officer as the Lender shall specify for this purpose).

20.4 English language

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
 - (i) in English; or

- (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

21 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Deed.

22 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

23 Enforcement

23.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (b) Each Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

23.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Guarantor incorporated outside England and Wales:

- (a) irrevocably appoints the Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by a process agent to notify each Guarantor of the process will not invalidate the proceedings concerned.

IN WITNESS of which this Deed has been duly executed and delivered by each Original Guarantor as a deed and has been delivered on the first date specified on page 1 of this Deed.

Schedule 1 Original Guarantors

Name of Guarantor	Registration number (or equivalent, if any) and Original Jurisdiction
The Body Shop International Limited	England and Wales, 01284170
Buth-Na-Bodhaige, Inc.	Virginia, United States of America, 22-2883487
The Body Shop Canada Limited	Ontario, Canada, 417311-2

Schedule 2 Form of Accession Deed

To: [****] as Lender (as defined in the Guarantee referred to below)

From: [*Subsidiary*] and [*Borrower*]

Dated: [****] 20[**]

GUARANTEE AND INDEMNITY BETWEEN (1) [**][THE COMPANIES LISTED IN SCHEDULE 1 THERETO] AS ORIGINAL GUARANTOR[S] AND (2) [****] AS LENDER DATED [****] 20[**] (THE GUARANTEE)**

- 1 We refer to the Guarantee. This deed (the **Accession Deed**) shall take effect as an Accession Deed for the purposes of the Guarantee. Terms defined in the Guarantee have the same meaning in this Accession Deed unless given a different meaning in this Accession Deed.
- 2 [*Subsidiary*] agrees to become an Additional Guarantor and to be bound by the terms of the Guarantee as an Additional Guarantor pursuant to clause 17.1 (*Additional Guarantors*) of the Guarantee. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company with registered number [****].
- 3 [*Subsidiary's*] administrative details for the purposes of the Guarantee are as follows:

Address: [****]

Fax no: [****]

Attention: [****]
- 4 This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS ACCESSION DEED has been signed on behalf of the Lender and the Borrower and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

[*Subsidiary*]

[**EXECUTED AS A DEED**)
By [*Subsidiary*])

Director

Director/Secretary]

OR

[**EXECUTED AS A DEED**)
By [*Subsidiary*])

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness]

Occupation of witness]

The Borrower

By:

The Lender

By:

Date:

Signature page

THE GUARANTORS

Executed as a deed, but not delivered until the)
first date specified on page 1, by **THE BODY**
SHOP INTERNATIONAL LIMITED acting by:)
)

Director

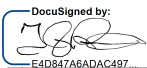
DocuSigned by:

Ian Martin Bickley

A3A0450818E2464...

Director

DocuSigned by:



E4D847A6ADAC497

Address: Watersmead, Littlehampton, West Sussex BN17 6LS

Attention:

Executed as a deed, but not delivered until the)
first date specified on page 1, by **THE BODY**
SHOP CANADA LIMITED acting by:)
)

Director

DocuSigned by:

Benoit Mennegand

A8F76B5E91BF400

Witness signature

DocuSigned by:

Amanda Baracat

8E7EFC2CAF92423...

Witness name: Amanda Baracat

Witness address: 315 Ivy Lane

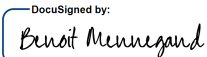
Weston FL

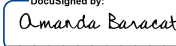
33326

Address: 89 jefferson St Apt 5A Hoboken NJ 07030

Attention: Benoit Mennegand

Executed as a deed, but not delivered until the)
first date specified on page 1, by **BUTH-NA-**
BODHAIGE, INC. acting by:)

Director  DocuSigned by:
ABF78BEE6D10F499...

Witness signature  DocuSigned by:
9E7EF02C4F82423...

Witness name: Amanda Baracat

Witness address: 315 Ivy Lane

Weston FL

33326


Address: 89 jefferson St Apt 5A Hoboken NJ 07030

Attention: Benoit Mennegand

THE LENDER

Executed as a deed, but not delivered until the)
first date specified on page 1, by **AURELIUS IV**
UK ACQUICO SEVEN LIMITED acting by:)

Director  DocuSigned by:
474BDD92A0408408...

Witness signature  DocuSigned by:
7FF3559DA0A9A27...

Witness name: Peter Alldread

Witness address: 47 Thayers farm road

London

BR3 4LY

Address: 6th Floor, 33 Glasshouse Street, London United Kingdom W1B 5DG

Attention: Christina Nayman-Mills

GENERAL SECURITY AGREEMENT

made by

THE BODY SHOP CANADA LIMITED

in favour of

AURELIUS IV UK ACQUICO SEVEN LIMITED

dated as of

This GENERAL SECURITY AGREEMENT, dated as of _____ (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), is made by THE BODY SHOP CANADA LIMITED, a corporation governed by the federal laws of Canada (the "**Debtor**"), in favour of AURELIUS IV UK ACQUICO SEVEN LIMITED, (the "**Secured Party**").

WHEREAS, THE BODY SHOP INTERNATIONAL LIMITED as borrower (the "**Borrower**") and the Secured Party have entered into a loan agreement dated as of _____ (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**") under which the Secured Party has made and will make loans and/or other credit facilities available to the Borrower (the "**Loans**");

WHEREAS, pursuant to the terms of a guarantee and indemnity dated _____ (as the same may be modified, amended, restated or replaced from time to time, the "**Guarantee**"), the Debtor has guaranteed the Borrower's obligations to the Secured Party under the Loan Agreement.

WHEREAS, this Agreement is given by the Debtor in favour of the Secured Party to secure the payment and performance of all of the Secured Obligations (defined below); and

WHEREAS, it is a condition to the obligations of the Secured Party under the Loan Agreement that the Debtor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the Secured Party entering into the Loan Agreement and agreeing to make the Loans available to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor agrees as follows.

ARTICLE I DEFINITIONS

Section 1.01 Definitions.

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Loan Agreement. Unless otherwise defined herein or in the Loan Agreement, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (b) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" is defined in Section 2.01.

"Equity Interests" means, with respect to any Person, all of the securities, investment property, units, trust units, partnership, membership and other equity interests, participations, investment certificates, notes (or other ownership or profit interests in) in or of such Person (collectively, **"ownership interests"**), all of the warrants, options or other rights for the purchase or acquisition from such Person of ownership interests in such Person, all of the securities convertible into or exchangeable for ownership interests in such Person or warrants, rights or options for the purchase or acquisition from such Person of ownership interests, and all of the other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or non-voting, and whether or not such ownership interests are outstanding on any date of determination.

"Event of Default" has the meaning given to it in the Loan Agreement.

"Excluded Asset" is defined in Section 2.03(a).

"Finance Document" and **"Finance Documents"** have the meanings given to them in the Loan Agreement.

"Intellectual Property" means any intellectual or intangible property and proprietary rights (whether owned or licensed) including, without limitation, trademarks, trademark applications and registrations, service marks, trade styles, trade names, patents, patent applications and registrations, copyrights, copyright registrations and applications, works of authorship, industrial designs, industrial design applications and registrations, integrated circuit topographies, know-how and processes, trade secrets, inventions, formulas, processes, mask works, other business or technical confidential or proprietary information, software and computer hardware programs and systems, source codes, object codes, databases and documentation related to the foregoing, all domain names, internet addresses, internet sites and social media, including all related accounts, names and content and other proprietary information, and all rights to sue at law or in equity for any past, present, or future infringement, violation, misuse, misappropriation or other impairment thereof, whether arising under the laws of Canada, the laws of any Canadian

province or territory or foreign laws or otherwise, including the right to receive injunctive relief and all proceeds and damages therefrom.

"Issuer" means a Person identified as an issuer of Pledged Securities in **Schedule A** hereto.

"Permitted Encumbrance" is defined in Section 7.01(c)

"Person" means any corporation, company, partnership, association, unincorporated association, entity, trust, joint venture, individual, estate, sole proprietorship, institution or any governmental entity.

"Pledged Securities" means all of the issued and outstanding Equity Interests of each Issuer described in **Schedule A** hereto that are now or from time to time hereafter held by the Debtor.

"PPSA" means the Personal Property Security Act as in effect from time to time in the Province of Ontario.

"Proceeds" means "proceeds" as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"Receiver" is defined in Section 13.03(i).

"Secured Obligations" is defined in Section 3.01.

"Securities Accounts" means the securities accounts described in **Schedule B** to this Agreement.

"STA" means the *Securities Transfer Act, 2006*, as in effect from time to time in the Province/ of Ontario.

"ULC" means an issuer that is an unlimited company, unlimited liability corporation or an unlimited liability company.

"ULC Legislation" means the Companies Act (Nova Scotia), the Business Corporations Act (Alberta), the Business Corporations Act (British Columbia) and other present or future laws governing ULCs.

"ULC Shares" means shares or other Equity Interests in a ULC.

Section 1.02 Interpretation. Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.01 Grant of Security Interest. As security for the payment and performance of the Secured Obligations, the Debtor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to the Secured Party, and hereby creates a general and continuing security interest in favour of the Secured Party in and to all of the Debtor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

- (a) all present and after-acquired property, assets and undertaking of the Debtor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Intellectual Property, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property (including the Pledged Securities and the Securities Accounts), Money, and any other contract rights or rights to the payment of money;
- (b) all Proceeds and products of each of the foregoing, including any and all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Debtor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing; and
- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing.

The last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests hereby created, but should the Secured Party need to enforce against the Collateral, the Debtor shall hold the last date in trust for the Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, (i) a security interest is taken in all of the Debtor's present and after acquired personal property; and (ii) the Collateral does not include any Consumer Goods.

Section 2.02 Attachment of Security Interest. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Debtor acknowledges that any security interest in this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Debtor acquires rights in such after-acquired Collateral.

Section 2.03 Limitation on Grant of Security Interest.

- (a) To the extent the grant of the security interest in respect of any contract, permit, lease, licence, instrument, document or other agreement entered into by the Debtor would result in the breach or termination of or cause a default under such contract, permit, lease, licence, instrument, or other agreement (each an “**Excluded Asset**”), each such Excluded Asset shall not be subject to the security interest created hereby while such restriction applies but shall be held in trust by the Debtor in favour of the Secured Party, but only for so long as such prohibition or requirement for consent is not terminated, rendered unenforceable or otherwise deemed ineffective by the PPSA or any other applicable law; provided however that Excluded Assets shall not include any Proceeds, products, substitutions or replacements of any Excluded Asset (unless such Proceeds, products, substitutions, or replacements would themselves otherwise constitute Excluded Assets) and provided further that if any Excluded Asset would have otherwise constituted Collateral, when such asset shall cease to be an Excluded Asset, such asset shall be deemed at all times from and after the date hereof to constitute Collateral subject to the security interest created hereby. The Debtor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Excluded Assets to the assignment of such Excluded Assets to the Secured Party in accordance with this Agreement. The Debtor will also use all commercially reasonable efforts to ensure that no material agreement entered into on or after the date of this Agreement shall expressly prohibit assignment of the benefits of such agreement as collateral security to the Secured Party.
- (b) The security interest with respect to trademarks constitutes a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but does not constitute an assignment of such Collateral to the Secured Party.

ARTICLE III SECURED OBLIGATIONS

Section 3.01 Secured Obligations. The Collateral secures the payment and performance of all present and future obligations of the Debtor to the Secured Party from time to time including, without limitation, all present and future obligations of the Debtor arising under the Guarantee, this Agreement and the Finance Documents to which the Debtor is a party, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Debtor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Credit Facilities, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities, including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities related thereto (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the “**Secured Obligations**”).

ARTICLE IV

PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES

Section 4.01 Perfection. The Debtor shall, from time to time, and at its expense, take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral.

Section 4.02 Intellectual Property. The Debtor hereby further authorizes the Secured Party to file with the Canadian Intellectual Property Office this Agreement and other required documents for the purpose of recording, perfecting, confirming, continuing, enforcing or protecting the security interests in Intellectual Property granted by the Debtor hereunder.

Section 4.03 Tangible Chattel Paper, Documents of Title, Instruments. If the Debtor shall at any time hold or acquire any promissory notes, tangible chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Debtor shall immediately endorse, assign and deliver possession of the same to the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

Section 4.04 Control.

- (a) **Control Agreement.** Where Investment Property (i) is held in an account of a securities intermediary, the Debtor shall enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Debtor and said securities intermediary in a form and substance acceptable to the Secured Party; and (ii) consists of uncertificated securities and is not held in an account of a securities intermediary, the Debtor shall enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Debtor and said issuer, in a form and substance acceptable to the Secured Party.
- (b) **Certificates.** The Debtor shall promptly, in a manner satisfactory to the Secured Party: (i) cause a security certificate to be issued for any Investment Property that is in the form of an uncertificated security to the extent that such request can be accommodated by the Issuer thereof; (ii) duly endorse all share certificates at any time held or acquired by it relating to the Collateral in blank for transfer or execute stock powers of attorney in blank in form and substance satisfactory to the Secured Party; (iii) deliver such share certificates and stock powers to the Secured Party; and (iv) take all other steps to give exclusive control over such certificated securities to the Secured Party.
- (c) **Electronic Chattel Paper.** Where Collateral includes electronic chattel paper, the Debtor shall take all commercially reasonable efforts required by the Secured Party to cause the record comprising such chattel paper to be created, stored and

transferred in a manner satisfactory to the Secured Party and which will provide the Secured Party with control of the electronic chattel paper.

Section 4.05 Copy of Verification Statement. To the extent permitted by law, the Debtor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Party in connection with the Secured Party's interest in the Collateral.

Section 4.06 Further Assurances. The Debtor agrees that, at any time and from time to time, at the expense of the Debtor, the Debtor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the secured party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce their rights and remedies hereunder or under any other Finance Document with respect to any Collateral.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Section 5.01 Representations and Warranties. The Debtor represents and warrants as follows:

- (a) **Location of Collateral and Places of Business.** The Debtor's place or places of business and the location or locations of the Collateral, including all books and records in respect of Accounts, are set out in **Schedule C** hereto.
- (b) **Ownership and Title.** The Debtor is the sole, direct, legal and beneficial owner of, and has good marketable title to, all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to, each item of after-acquired Collateral free and clear of all encumbrances except for the security interests created by this Agreement.
- (c) **Existence and Capacity.** The Debtor has been duly incorporated and validly exists under the laws of its jurisdiction of incorporation and has full power, capacity, authority and legal right to borrow, grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement and the full and correct name of the grantor is set forth on the first page of this Agreement.
- (d) **Binding Obligation.** Each of this Agreement and the other Finance Documents has been duly authorized, executed and delivered by the Debtor and constitutes a legal, valid and binding obligation of the Debtor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

- (e) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the borrowing of the Loans and the pledge by the Debtor of the Collateral under this Agreement or for the execution and delivery of the other Finance Documents by the Debtor or the performance by the Debtor of its obligations thereunder.
- (f) **No Violation of Laws, Constatng Documents, Agreements.** The execution and delivery of the Finance Documents by the Debtor and the performance by the Debtor of its obligations thereunder, will not violate any provision of any applicable laws or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Debtor or any of its property, or the constating or governing documents of the Debtor or any agreement or instrument to which the Debtor is party or by which it or its property is bound.
- (g) **Pledged Securities Validly Issued.** The Pledged Securities, if any, and other Equity Interests have been duly authorized and validly issued and are fully paid and non-assessable and subject to no options to purchase or similar rights. No Person (other than the Debtor) has any right to acquire or cause to be issued to them any of the Pledged Securities or other Equity Interests.
- (h) **Delivery of Certificated Securities.** The Collateral does not include any certificated securities that the Debtor has not delivered to the Secured Party.
- (i) **Perfection by Control.** The Debtor has taken all action required on its part for control to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Party has control or possession of all or any part of the Collateral.
- (j) **Intellectual Property.** Schedule D sets forth a complete list and description at the date hereof of all material Intellectual Property, and all registered Intellectual Property, owned or licensed by the Debtor and used in the operation of the Debtor's business. The Debtor owns the Intellectual Property free and clear of all encumbrances except for the security interests created by this Agreement.

ARTICLE VI

VOTING, DISTRIBUTIONS AND RECEIVABLES

Section 6.01 Voting. Unless a Default or an Event of Default shall have occurred and be continuing, the Debtor may, to the extent the Debtor has such right as a holder of the Collateral consisting of Investment Property, other Equity Interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement or this Agreement.

Section 6.02 Distributions. The Debtor may, unless a Default or an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities (including Pledged Securities), other Equity Interests or indebtedness owed by any obligor.

Section 6.03 Receivables. After an Event of Default has occurred and is continuing, the Secured Party may, or at the request and option of the Secured Party, the Debtor shall: (i) notify account debtors of the Secured Party's security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Party.

ARTICLE VII COVENANTS

Section 7.01 Covenants. The Debtor covenants as follows:

- (a) **Consent re: Change of Legal Name and Place of Business.** The Debtor will not, without providing at least 20 days' prior written notice to the Secured Party, change its legal name, jurisdiction of incorporation or formation, corporate structure, or the province or territory in which its registered office, chief executive office or its principal place of business is located. The Debtor will, prior to any change described in the preceding sentence, take all actions requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (b) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to the Secured Party under ARTICLE IV, will be kept at those locations listed in Schedule C and, except for Inventory sold or leased in the ordinary course of business, the Debtor will not remove the Collateral from such locations except as permitted in the Loan Agreement or with the Secured Party's prior written consent. The Debtor will, before any change described in the preceding sentence, take all actions required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (c) **Dealing with Collateral: No Sale or Encumbrances.** The Debtor will not sell, dispose of, lease, license, assign or otherwise transfer any of the Collateral except, as expressly provided in the Loan Agreement, in the ordinary course of business, or with the prior written consent of the Secured Party. The Debtor will not grant, create, permit or suffer to exist any encumbrances whatsoever on the Collateral except Permitted Encumbrances or with the prior written consent of the Secured Party. **"Permitted Encumbrance"** means those liens and other encumbrances, designated as "Permitted Encumbrances" by the Secured Party in writing by notice to the Debtor from time to time, in the Secured Party's sole and absolute discretion. For greater certainty, all parties hereto agree that the Secured Party may, in its sole and absolute discretion, remove a lien or other encumbrance from being considered a "Permitted Encumbrance" from time to time by written notice to the Debtor.

- (d) **Maintenance and Protection of Collateral.** The Debtor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party. The Debtor will not use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. The Debtor will keep all licences, permits, agreements, registrations and applications relating to the Intellectual Property used by Debtor in good standing. The Debtor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Party therein against the claim or demand of any person claiming against or through the Debtor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
- (e) **Performance of Obligations.** The Debtor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Debtor shall perform all of its obligations under material agreements, leases, licences, arrangements to obtain and preserve its rights, powers, licences, privileges and goodwill thereunder and comply with all applicable laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Debtor's business.
- (f) **Access to Collateral, Inspection.** The Debtor will permit the Secured Party, and its representatives, agents, consultants and advisors, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Debtor shall, upon request by the Secured Party, provide the Secured Party with any information concerning the Collateral, the Debtor and its business, as the Secured Party may reasonably request, including access to the Debtor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (g) **Notification.** The Debtor shall notify the Secured Party within five (5) business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Debtor, the Collateral or the Debtor's business; (iii) any loss or damage to the Collateral or the value of the Collateral; and (iv) any default by any account debtor in the payment or performance of its obligations.
- (h) **Insurance.** The Debtor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as required by the Secured Party from time to time. For greater certainty, the Debtor shall ensure that, within 30 days of the date of this Agreement, and at all times thereafter, the Secured Party shall be listed as additional insured (in respect of liability insurance) and first loss payee (in respect of property insurance) for all insurance policies of the Debtor (other than directors and officer's insurance).

Any insurance proceeds received by the Secured Party shall be applied against the Secured Obligations or released to the Debtor, in such manner and at such times as the Secured Party determines in its sole and absolute discretion, without prejudice to any rights or remedies of the Secured Party.

- (i) **Intellectual Property.** The Debtor will make and maintain all filings, registrations and recordals necessary to maintain its rights in the patents, trademarks, copyrights and industrial designs included in the Intellectual Property.

ARTICLE VIII

SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

Section 8.01 Survival of Representations and Warranties and Covenants. All representations, warranties and covenants made by the Debtor shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

ARTICLE IX

SECURED PARTY POWER OF ATTORNEY

Section 9.01 Secured Party Power of Attorney. The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or employee of the Secured Party as the Debtor's true and lawful attorney, with full power of substitution and with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time, in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to the Debtor representing any dividend, interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same, to transfer, endorse, negotiate and sign on behalf of the Debtor any of the Equity Interests, to complete the blanks in any transfers of shares, bonds or debentures, any power of attorney or other documents delivered to it, to provide instructions or entitlement orders to any securities intermediary which maintains any securities account in which any Collateral is maintained, and to delegate its powers and for any delegate to sub-delegate the same (but the Secured Party shall not be obligated to and shall have no liability to the Debtor or any third party for failure to do so or take any action). Such appointment, being coupled with an interest, shall be irrevocable until the full and final discharge of the security interests created by this Agreement. The Debtor hereby ratifies all acts that such attorneys shall lawfully do or cause to be done by virtue hereof.

ARTICLE X

ULC INTERESTS

Section 10.01 ULC Interests. The Debtor acknowledges that the Secured Party shall not under any circumstances prior to realization be deemed to be a "member" or "shareholder", as applicable, of a ULC for the purposes of ULC Legislation with respect to any Collateral that

consists of ULC Shares. Except upon the exercise of rights of the Secured Party to sell, transfer or otherwise dispose of ULC Shares in accordance with this Agreement, the Debtor shall not cause or permit, or enable the ULC to cause or permit, the Secured Party or another Person, as applicable to: (a) be registered as shareholder or member of such ULC for the purposes of any ULC Law (whether listed or unlisted, registered or beneficial); (b) have any notation entered in their favour in the share or unit register of such ULC; (c) be held out as a shareholder or member of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Secured Party holding the security interests over the ULC Shares; or (e) act as a shareholder or member of such ULC or exercise any rights of a shareholder or member, including the right to attend a meeting of shareholders or members of such ULC or to vote its ULC Shares or control the direction, management and policies of the applicable ULC.

ARTICLE XI SECURED PARTY MAY PERFORM

Section 11.01 Secured Party May Perform. If the Debtor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor; provided that the Secured Party shall not be required to perform or discharge any obligation of the Debtor and the performance by the Secured Party shall not waive the rights of the Secured Party to enforce this Agreement.

ARTICLE XII SET-OFF

Section 12.01 Set-Off. The Secured Party may, without notice to the Debtor or any other Person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Debtor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. The Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by the Secured Party.

ARTICLE XIII REMEDIES UPON DEFAULT

Section 13.01 Right to Accelerate Payment. Upon the occurrence of an Event of Default that is continuing, the Secured Party may, by notice, terminate any further advances and declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Debtor.

Section 13.02 Enforcement of Security Interest. Upon the occurrence of an Event of Default that is continuing, the Secured Party may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

Section 13.03 Remedies upon Default. Upon the occurrence of an Event of Default that is continuing, the Secured Party may exercise, without any other notice to or demand upon the Debtor, in addition to the other rights and remedies provided herein or in any other Finance Document or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Party may assert all rights and remedies of a secured party under the PPSA or other applicable law;
- (b) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;
- (c) the Secured Party may take possession of the Collateral by requiring the Debtor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Party at a place and time to be designated by the Secured Party;
- (d) the Secured Party may take possession of the Collateral by carrying on all or any part of the business of the Debtor, and may to the exclusion of all others, including the Debtor, enter upon, occupy and use any of the premises; buildings, plants and undertakings owned, occupied or used by the Debtor and may use any of the tools, machinery, equipment and intangibles (including Intellectual Property) of the Debtor for such time as the Secured Party sees fit, free of charge and without liability, in order to carry on the business of the Debtor or to manufacture or complete the manufacture of Inventory and to pack and ship finished products; and the Secured Party will not be liable to any Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on their part thereof as determined by a final non-appealable judgment of a court of competent jurisdiction) or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (e) the Secured Party may enter upon and occupy any land and premises owned, leased or occupied by the Debtor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Debtor;
- (f) the Secured Party may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Party may exercise and enforce all rights and remedies of the Debtor with respect to the Collateral, including collecting or compromising all or any of the Debtor's Accounts;

- (h) the Secured Party may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Party may deem commercially reasonable;
- (i) the Secured Party may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any Person so appointed. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this ARTICLE XIII;
- (j) the Secured Party may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this ARTICLE XIII;
- (k) all rights of the Debtor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01; (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.02, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and (iii) the Secured Party may require that the Debtor have any Equity Interests registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Equity Interests may at any time have; and
- (l) the Secured Party may retain the Collateral in satisfaction of the Secured Obligations.

The Secured Party shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

Section 13.04 Receiver Agent of Debtor. In exercising any powers, any such Receiver so appointed shall act as agent of the Debtor and not the Secured Party and the Secured Party shall not in any way be responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Party may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

Section 13.05 Distribution of Proceeds. Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Party shall elect, in its sole discretion. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive such surplus. The Debtor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Party to collect such deficiency.

Section 13.06 Debtor Pays Expenses. The Debtor agrees to pay all reasonable expenses incurred by the Secured Party or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered, including legal and auditor's fees and expenses and remuneration of any Receiver.

ARTICLE XIV MISCELLANEOUS

Section 14.01 No Waiver and Cumulative Remedies. The Secured Party shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

Section 14.02 Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Debtor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Debtor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

Section 14.03 Notices. All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Guarantee and shall be given in the manner and become effective as set forth in the Guarantee.

Section 14.04 Continuing Security Interest; Further Actions. This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 14.06, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Debtor, its successors and permitted assigns, and (c) enure to the benefit of the Secured Party and its successors, transferees and assigns; provided that the Debtor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

Section 14.05 Assignment. The Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Debtor. The Debtor may not assign its obligations under this Agreement without the prior written consent of the Secured Party.

Section 14.06 Termination; Release. On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Party in its sole discretion), the Secured Party will, at the request and sole expense of the Debtor (a) duly assign, transfer and deliver to or at the direction of the Debtor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Debtor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

Section 14.07 Acknowledgement. The Debtor acknowledges receipt of a fully executed copy of this Agreement.

Section 14.08 Amalgamation. The Debtor acknowledges that, if it amalgamates with another person, the term Debtor, when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Party thereafter arising.

Section 14.09 Governing Law. This Agreement and all matters arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario and the parties irrevocably attorn to the exclusive jurisdiction of the courts of Ontario.

Section 14.10 Counterparts and Electronic Transmission. This Agreement and any amendments, waivers, consents, notice or other forms of communication, may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement. A handwritten or electronically signed counterpart of this Agreement delivered by facsimile, email ("PDF" or "tif" format) or other electronic or digital transmission (including by transmission over an electronic platform acceptable to the Lender such as DocuSign or the equivalent thereof) is deemed to have the same legal effect as delivery of a manually executed original counterpart of this Agreement. Electronic signature means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an electronic document that is sent or stored by means of any electronic or digital transmission. The words "execution", "signed", "signature", and words of similar import in any agreement, instruction, document, information or other form of communication, shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based record keeping system, as the case may be, to the extent and as provided for under applicable law, including Parts 2 and 3 of the Personal

Information Protection and Electronic Documents Act (Canada) and other similar federal or provincial laws.

Section 14.11 Conflict with Loan Agreement. To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed as of the date first written above.

THE BODY SHOP CANADA LIMITED, as
Debtor

DocuSigned by:
By 
ABF76BE5B1BF499...

Name: Mennegand benoit

Title: Director

AURELIUS IV UK ACQUICO SEVEN
LIMITED , as Secured Party

DocuSigned by:
By 
474BD52A6409466...

Name: Doreen Alldread

Title: Director

SCHEDULE A
PLEDGED SECURITIES

Nil.

SCHEDULE B
SECURITIES ACCOUNTS

Nil.

SCHEDULE C
LOCATION OF COLLATERAL

See attached.

Shop Name	Address	Address 2	City	Province	Postal Code
Halifax Shopping Centre	7001 Mumford Road	Box 81	Halifax	NS	B3L 2H8
St. Albert Centre	375 St. Albert Trail		St. Albert	AB	T8N 3K8
Outlet Collection Winnipeg	555 Sterling Lyon Park		Winnipeg	MB	R3P 1J9
Rideau Centre	50 Rideau Street 0259B		Ottawa	ON	K1N 9J7
Lansdowne Place	645 Lansdowne Street W.	Unit 249	Peterborough	ON	K9J 7Y5
Edmonton International Outlets	1 Outlet Collection Way	Unit 102	Edmonton Intl Airport	AB	T9E 1J5
The Centre	3310 8th Street East		Saskatoon	SK	S7H 5M3
Georgian Mall	509 Bayfield Street		Barrie	ON	L4M 4Z8
The Shops at Don Mills	1090 Don Mills Road	Unit H004	Toronto	ON	M3C 3R6
Mayfair Shopping Centre	3147 Douglas Street	Unit 644	Victoria	BC	V8Z 6E3
Aberdeen Mall	209/1320 Trans Canada Hwy		Kamloops	BC	V1S 1J2
Avalon Mall	48 Kenmount Road		St. John's	NL	A1B 1W3
Bayshore Shopping Centre	100 Bayshore Drive		Ottawa	ON	K2B 8C1
Queen Street East	1952 Queen Street East		Toronto	ON	M4L 1H6
Bloor West Village	2366 Bloor Street West		Toronto	ON	M6S 1P3
Bramalea City Centre	25 Peel Centre Drive	Unit 246	Brampton	ON	L6T 3R5
The Core	250-751 3rd Street S.W.		Calgary	AB	T2H 0K3
Cataraqui Town Centre	945 Gardiners Road		Kingston	ON	K7M 7H4
Champlain Place	477 Paul Street		Dieppe	NB	E1A 4X5
Chinook Centre	0134-6455 McLeod Trail S. W.		Calgary	AB	T2H 0K8
Coquitlam Centre	2929 Barnett Highway	Unit 2415	Coquitlam	BC	V3B 5R5
Cornwall Centre	2102-11th Avenue		Regina	SK	S4P 3Y6
Devonshire Mall	3100 Howard Avenue		Windsor	ON	N8X 3Y8
Erin Mills Town Centre	5100 Erin Mills Parkway	Box 33	Mississauga	ON	L5M 4Z5
Fairview Mall	1800 Sheppard Ave E.	# 2035	Toronto	ON	M2J 5A8
Fairview Park Mall	2960 Kingsway Drive		Kitchener	ON	N2C 1X1
Regent Mall	1381 Regent Street	Unit C003B	Fredericton	NB	E3C 1A2
Hillcrest Mall	9350 Yonge Street		Richmond Hill	ON	L4C 5G2
Hillside Shopping Centre	36-1644 Hillside Avenue		Victoria	BC	V8T 2C5
Intercity Shopping Centre	1000 Fort William Road		Thunder Bay	ON	P7B 6B9
Kildonan Place	1555 Regent Avenue West		Winnipeg	MB	R2C 4J2
Kingsway Mall	109 Street NW & Princess Elizabeth	Unit 696	Edmonton	AB	T5G 3E6
Lambton Mall	1380 London Road		Sarnia	ON	N7S 1P8
Lime Ridge Mall	999 Upper Wentworth Street		Hamilton	ON	L9A 4X5
Lougheed Town Centre	9855 Austin Road Unit 172		Burnaby	BC	V3J 1N4
Mapleview Centre	900 Maple Avenue		Burlington	ON	L7S 2J8
Market Mall	3625 Shagnappi Trail N.W.		Calgary	AB	T3A 0E2
Markville Shopping Centre	5000 Highway 7 East		Markham	ON	L3R 4M9
Masonville Place	1680 Richmond Street North		London	ON	N6G 3Y9
McAllister Place	519 Westmorland Road		Saint John	NB	E2J 3W9
Mic Mac Mall	21 Micmac Boulevard		Dartmouth	NS	B3A 4N3
Metropolis at Metrotowne	2160A-4700 Kingsway		Burnaby	BC	V5H 4M1
Midtown Plaza	201 First Avenue South	Box 9	Saskatoon	SK	S7K 1J9
New Sudbury Centre	1349 LaSalle Boulevard		Sudbury	ON	P3A 1Z2
Northgate Square Shopping Centre	1500 Fisher Street	Unit 161	North Bay	ON	P1B 2H3
Oakville Place	240 Leighland Avenue	Unit 114	Oakville	ON	L6H 3H6
Orchard Park Shopping Centre	2271 Harvey Avenue North		Kelowna	BC	V1Y 6H2
Oshawa Centre	419 King Street West	Unit 2105	Oshawa	ON	L1J 2K5
Pacific Centre	700 Georgia St at Howe St.	#DO60	Vancouver	BC	V7Y1K8
Park Place Shopping Centre	501 First Avenue South	Unit 94	Lethbridge	AB	T1J 4L9
Park Royal Shopping Centre	2002 Park Royal South		West Vancouver	BC	V7T 2W4
Pen Centre	221 Glendale Avenue		St. Catharines	ON	L2T 2K9
Pickering Town Centre	1355 Kingston Road	Unit 68	Pickering	ON	L1V 1B8
Pine Centre	#133-3055 Massey Drive		Prince George	BC	V2N 2S9
Polo Park Shopping Centre	1485 Portage Avenue	Unit 124	Winnipeg	MB	R3G 0W4
Scarborough Town Centre	300 Borough Drive	Unit 227	Scarborough	ON	M1P 4P5
Semiahmoo Shopping Centre	1711-152nd Street West	Unit 114	White Rock	BC	V4A 4N3
Sevensoaks Shopping Centre	338-32900 South Fraser Way		Abbotsford	BC	V2S 5A1

Southcentre Mall	100 Anderson Rd S. E.	Box 59A	Calgary	AB	T2J 3V1
Southgate Centre	#330, 5015 111 Street NW		Edmonton	AB	T6H 4M6
Southland Mall	2807 Gordon Road		Regina	SK	S4S 6H7
Square One Shopping Centre	100 City Centre Drive		Mississauga	ON	L5B 2C9
St. Laurent Centre	1200 St. Laurent Blvd	Box 30	Ottawa	ON	K1K 3B8
St. Vital Centre	1225 St. Mary's Road	Unit 100	Winnipeg	MB	R2M 5E5
Stone Road Mall	435 Stone Road West		Guelph	ON	N1G 2X6
Sunnyside Mall	1595 Bedford Highway		Bedford	NS	B4A 3Y4
Toronto Eaton Centre	220 Yonge Street	Box 152	Toronto	ON	M5B 2H1
Upper Canada Mall	17600 Yonge Street	Box 61	Newmarket	ON	L3Y 4Z1
White Oaks Mall	1105 Wellington Road		London	ON	N6E 1V4
Willowbrook Shopping Centre	19705 Fraser Highway	Unit 447	Langley	BC	V3A 7E9
Woodgrove Centre	25-6631 Island Highway North		Nanaimo	BC	V9T 4T7
Bower Place Shopping Centre	1000-4900 Molly Banister Drive		Red Deer	AB	T4R 1N9
Medicine Hat Mall	3292 Dunmore Road S.E.	Unit 112B	Medicine Hat	AB	T1B 2R4
Sunridge Mall	2525 36 Street NE Unit 207		Calgary	AB	T1Y 5T4
Bayview Village	2901 Bayview Avenue	Unit A16	Willowdale	ON	M2K 1E6
Truro Mall	245 Robie Street	Unit 115	Truro	NS	B2N 5N6
The Outlet Collection at Niagara	300 Taylor Road	Space 445	Niagara on the Lake	ON	L0S 1J0
Ottawa Outlets	8555 Campeau Dr	Unit 952	Ottawa	ON	K2T 0K5
Cookstown Outlets	3311 Simcoe Rd 89	Unit H20	Cookstown	ON	L0L 1L0
Place d'Orleans	110 Place d'Orleans Dr	Unit 1285, Box 57	Orleans	ON	K1C 2L9
Sherway Gardens	25 The West Mall		Etobicoke	ON	M9C 1B8
Shoppers Mall Brandon	1570 18th St.	Unit #25	Brandon	MB	R7A 5C5
McArthurGlen Outlets	7899 Templeton Station Rd	Unit # 36	Richmond	BC	V7B 0B7
Vaughan Mills	1 Bass Pro Mills Drive	Unit 241	Vaughan	ON	L4K 5W4
Quinte Mall	390 North Front Street	Unit D3C	Belleville	ON	K8P 3E1
Timmins Square	1500 Riverside Drive	Unit 37	Timmins	ON	P4R 1A1
Lloyd Mall	5211 44 Street	Unit 193	Lloydminster	AB	T9V 0A7
Richmond Centre	6551 No. 3 Road	#1554	Richmond	BC	V6Y 2B6
Londonderry Mall	137th Avenue & 66th Street	Unit 298	Edmonton	AB	T5C 3C8
Prairie Mall	Unit 115, 11801-100 St.		Grand Prairie	AB	T8V 3Y2
Carlingwood Mall	2121 Carling Avenue		Ottawa	ON	K2A 1H2
Sherwood Park Mall	2020 Sherwood Drive	Unit 23	Sherwood Park	AB	T8A 3H9
Cambridge Centre	Unit #226 - 355 Hespeler Road		Cambridge	ON	N1R 6B3
Royalty Crossing	Unit #19 - 670 University Avenue		Charlottetown	PEI	C1E 1H6
Lawson Heights Mall	Unit #43 - 134 Primrose Drive		Saskatoon	SK	S7K 5S6
Crossiron Mills	Unit # 267 261055 Crossiron Blvd.		Rocky View	AB	T4A 0G3
Conestoga Mall	550 King Street North	Suite B10A	Waterloo	ON	N2L 5W6
Mayflower Mall	800 Grand Lake Rd.	Ste 16	Sydney	NS	B1P 6S9
Corner Brook Plaza	44 Maple Valley Road	Unit 345	Corner Brook	NL	A2H 6L8
Toronto Pearson Term. 1	5980 Airport Rd, Level 2 Departures	Rm EF 2019	Toronto AMF	ON	L5P 1B2
Yorkdale Shopping Centre	3401 Dufferin Street	Unit 22A	Toronto	ON	M6A 2T9
West Edmonton Mall	8882-170 Street	Unit 1742	Edmonton	AB	T5T 4J2
Guildford Town Centre	10355 152 Street	Suite 1122	Surrey	BC	V3R 7C1
Dufferin Mall	900 Dufferin Street	Unit 545	Toronto	ON	M6H 4A9
Lynden Park Mall	84 Lynden Road	Unit E1	Brantford	ON	N3R 6B8
Toronto Premium Outlets	13850 Steeles Avenue West	Suite 868	Halton Hills	ON	L7G 0J1
Station Mall	293 Bay Street	Space J1	Sault Ste. Marie	ON	P6A 1X3
Village Green	4900 27th Street	Unit 780	Vernon	BC	V1T 7G7

SCHEDULE D
INTELLECTUAL PROPERTY

Nil.

CONVENTION D'HYPOTHÈQUE MOBILIÈRE intervenue ce _____.

ENTRE : **THE BODY SHOP CANADA LIMITED** (le « **Débiteur** »)

ET : **AURELIUS IV UK ACQUICO SEVEN LIMITED**
(le « **Créancier** »)

ATTENDU QUE pour garantir les Obligations, le Débiteur s'est engagé à consentir en faveur du Créancier une hypothèque sur les Biens hypothéqués.

ATTENDU QUE la signature de la présente convention par le Débiteur est une condition à l'octroi du crédit à l'Emprunteur par le Créancier en vertu de la Convention de crédit et est dans le meilleur intérêt du Débiteur.

LES PARTIES CONVIENNENT DE CE QUI SUIT :

ARTICLE 1 - INTERPRÉTATION

1.01 Définitions

Sauf s'ils sont autrement définis aux présentes, les termes définis dans la Convention de crédit et utilisés aux présentes ont la signification qui leur est donnée dans la Convention de crédit. Dans cette Hypothèque, et sauf lorsque le contexte s'y oppose :

- (1) « **Biens hypothéqués** » signifie l'universalité des biens meubles du Débiteur, présents et à venir, corporels et incorporels, de quelque nature qu'ils soient et où qu'ils puissent être situés ;
- (2) « **Cas de défaut** » signifie tout défaut aux termes de la Convention de crédit, incluant tout « *Event of Default* » au sens de la Convention de crédit;
- (3) « **Convention de crédit** » signifie le *Loan Agreement* intervenu en date ou environ en date des présentes entre l'Emprunteur et le Créancier et telle que celle-ci peut être amendée, remplacée ou autrement modifiée de temps à autre;
- (4) « **Créances** » signifie les créances du Débiteur, présentes et futures, corporelles et incorporelles, de quelque nature et situées où que ce soit, incluant notamment, mais sans limiter la généralité de ce qui précède, tous les compte-clients, comptes débiteurs, recours, demandes, jugements, droits contractuels, sommes en dépôt, produits de vente, cession ou location de biens, droits ou titres, indemnités payables en vertu d'un contrat d'assurance, les sommes dues au Débiteur ou pouvant devenir exigibles, ainsi que tous les jugements et autres droits, avantages, garanties et sûretés pour les créances qui existent, ou peuvent exister, en faveur du Débiteur, ainsi que tous les livres et comptes, listes de clients, dossiers de clients, et toute autre information relative aux clients et tous les titres, lettres, factures, papiers et documents qui constatent les créances ou s'y rapportent;
- (5) « **Créancier** » a le sens qui lui est attribué à la comparution.
- (6) « **Débiteur** » a le sens qui lui est attribué à la comparution;
- (7) « **Documents de prêt** » signifie l'Hypothèque et la Convention de crédit;
- (8) « **Emprunteur** » signifie The Body Shop International Limited;

- (9) « **Hypothèque** » signifie la présente convention d'hypothèque mobilière, y compris son préambule et ses annexes, le cas échéant; les expressions « aux présentes », « des présentes », la « présente Hypothèque » ainsi que toute autre expression similaire réfèrent à cette Hypothèque dans son entièreté et non à toute partie de celle-ci;
- (10) « **Obligations** » signifie toutes les obligations du Débiteur et de l'Emprunteur à l'égard du Créancier, présentes et futures, directes et indirectes, de quelque nature que ce soit (qu'elles aient été contractées seul par le Débiteur ou avec d'autres personnes) résultant des Documents de prêt;
- (11) « **Personne** » signifie tout individu, compagnie, société par actions, société de personnes, société en nom collectif, société en commandite, syndicat, association, fiducie, autorité gouvernementale ou tout autre organisme ou entité, quelle qu'en soit la désignation ou la constitution;

1.02 Droit applicable

L'Hypothèque est régie et interprétée par les lois en vigueur dans la province de Québec.

ARTICLE 2 - CONSTITUTION DE L'HYPOTHÈQUE

2.01 Hypothèque

Pour garantir les Obligations, le Débiteur consent en faveur du Créancier une hypothèque sur les Biens hypothéqués pour une somme de douze millions de dollars (12 000 000 \$), avec intérêt à compter de la date de la présente convention au taux de 25% l'an.

ARTICLE 3 - DÉCLARATIONS DU DÉBITEUR

3.01 Nom

Le nom du Débiteur apparaissant au début de cette convention est exact.

3.02 Créances

Les Créances faisant partie des Biens hypothéqués n'ont pas été cédées à un tiers.

3.03 Titre

Aucun des Biens hypothéqués n'est actuellement retenu par un créancier.

3.04 Contravention

La signature de cette Hypothèque ne contrevient à aucune convention à laquelle le Débiteur est partie.

3.05 Titre

Le Débiteur déclare au Créancier qu'il a un titre bon et valable sur les Biens hypothéqués.

ARTICLE 4 - ENGAGEMENTS DU DÉBITEUR

4.01 Efficacité continue de l'hypothèque

Le Débiteur accomplira tous les actes et signera tous les documents nécessaires pour que l'hypothèque constituée aux termes de la présente Hypothèque ait plein effet et soit constamment opposable aux tiers.

4.02 Changements au contenu des déclarations

Le Débiteur s'engage à informer le Créancier sans délai de tout événement ou situation faisant en sorte que l'une ou l'autre des déclarations faites à l'article 3 puisse devenir ou est devenue erronée ou incomplète ou si l'une ou l'autre des déclarations faites à l'article 3 ne représente plus ou ne représentera plus la situation du Débiteur.

4.03 Documents comptables

Le Débiteur tiendra les livres et registres nécessaires à l'exploitation de son entreprise, comme le ferait un administrateur diligent. Le Débiteur permettra aux représentants du Créancier d'examiner ses livres et registres, d'en faire des copies ou d'en tirer des extraits, d'inspecter l'un ou l'autre de ses biens ou éléments d'actif et de discuter de ses activités et affaires avec ses dirigeants et ses vérificateurs ou experts-comptables.

4.04 Usage des Biens hypothéqués

Le Débiteur ne changera pas l'usage, la destination ou la nature des Biens hypothéqués, ne les mélangera pas avec ceux d'un tiers, ne les incorporera pas dans ceux d'un tiers ni dans un de ses biens immeubles, sauf si le Créancier y consent par écrit.

Le Débiteur protégera et entretiendra adéquatement les Biens hypothéqués et exercera ses activités de façon à en préserver la valeur. Le Débiteur ne louera pas les Biens hypothéqués sans le consentement préalable par écrit du Créancier.

4.05 Respect des lois

Le Débiteur s'engage à se conformer aux lois et règlements le régissant et à ce que soient produits toutes les déclarations ainsi que tous les états financiers et rapports requis en vertu de ces lois et règlements.

4.06 Renseignements

Le Débiteur fournira au Créancier tout renseignement que celui-ci pourrait demander relativement aux Biens hypothéqués ou pour vérifier si le Débiteur se conforme à ses engagements prévus aux présentes. Le Débiteur informera le Créancier de tout fait ou événement de nature à affecter défavorablement la valeur des Biens hypothéqués.

ARTICLE 5 – DISPOSITIONS RELATIVES À CERTAINS BIENS HYPOTHÉQUÉS

5.01 Perception des créances

Le Débiteur peut percevoir les Créances faisant partie des Biens hypothéqués tant que le Créancier ne lui en a pas retiré l'autorisation.

ARTICLE 6 - DROITS DU CRÉANCIER

6.01 Accès aux Biens hypothéqués

Le Créancier pourra de temps à autre, aux frais du Débiteur, faire l'inspection des Biens hypothéqués ou procéder à leur évaluation. À cette fin, le Débiteur permettra au Créancier d'avoir accès aux lieux où se trouvent les Biens hypothéqués ainsi qu'à ses places d'affaires. Le Débiteur permettra également au Créancier d'examiner les registres comptables et documents se rapportant aux Biens hypothéqués ainsi que d'en obtenir des copies. Le Débiteur permettra au Créancier d'obtenir des renseignements relatifs aux Biens hypothéqués auprès des employés, comptables, vérificateurs et consultants du Débiteur, de même qu'auprès de tout gouvernement, municipalité ou organisme public.

6.02 Accomplissement des engagements

Le Créancier pourra, mais sans y être tenu, aux frais du Débiteur, remplir l'un ou l'autre des engagements contractés par le Débiteur aux termes des Documents de prêt.

6.03 Usage des Biens hypothéqués

Si le Créancier a la possession des Biens hypothéqués, il n'aura pas l'obligation de maintenir l'usage auquel les Biens hypothéqués sont normalement destinés ou de faire fructifier les Biens hypothéqués ou d'en continuer l'utilisation ou l'exploitation.

6.04 Vente des Biens hypothéqués

Le Créancier pourra, sans y être tenu, vendre les Biens hypothéqués en sa possession avec ou sans garantie légale, s'il estime de bonne foi que ceux-ci sont susceptibles de diminuer en valeur, de se déprécier ou de déperir.

6.05 Constitution du Créancier à titre de mandataire

Le Débiteur constitue le Créancier son mandataire irrévocable, avec pouvoir de substitution, aux fins d'accomplir tout acte et signer tout document nécessaire ou utile à l'exercice des droits conférés au Créancier en raison de la présente Hypothèque.

ARTICLE 7- DÉFAUTS ET RECOURS

7.01 Recours

Advenant un Cas de défaut, le Créancier pourra exercer tous les recours que la loi lui accorde et il pourra réaliser son hypothèque, notamment en exerçant les droits hypothécaires prévus au *Code civil du Québec*.

7.02 Droits à l'égard des créances

Advenant un Cas de défaut, le Créancier pourra retirer au Débiteur l'autorisation de percevoir les Créances faisant partie des Biens hypothéqués, et le Créancier pourra les percevoir lui-même. Il aura alors droit à une commission raisonnable de perception, qu'il pourra déduire de tout montant perçu. Il pourra également faire des compromis et transiger avec les débiteurs de ces Créances et il pourra accorder des quittances et des mainlevées.

7.03 Autres droits

Aux fins de réaliser l'hypothèque constituée aux termes de la présente convention, sans limiter la généralité des recours que la loi accorde au Créancier,

- (1) le Créancier pourra utiliser, aux frais du Débiteur, les locaux où se trouvent les Biens hypothéqués, de même que les autres biens du Débiteur, et
- (2) le Créancier pourra, aux frais du Débiteur, compléter la fabrication des inventaires faisant partie des Biens hypothéqués et accomplir toute chose nécessaire ou utile à leur vente.

7.04 Vente des Biens hypothéqués

Le Créancier peut se porter acquéreur des Biens hypothéqués vendus dans le cadre de la réalisation de l'hypothèque constituée aux termes de la présente convention. Une telle vente peut avoir lieu sans que le Créancier ne soit tenu d'obtenir une évaluation des biens concernés.

ARTICLE 8- DISPOSITIONS GÉNÉRALES**8.01 Ajout aux autres sûretés**

L'hypothèque constituée par cette Hypothèque s'ajoute, et ne se substitue pas, à toute autre hypothèque ou sûreté réelle ou personnelle détenue par le Créancier.

8.02 Garantie continue

L'Hypothèque est une garantie continue qui subsistera malgré l'acquittement occasionnel ou total ou partiel des Obligations.

8.03 Perception des sommes

Toute somme perçue par le Créancier dans l'exercice de ses droits pourra être retenue par le Créancier à titre de Bien hypothéqué, ou être imputée au paiement des Obligations, que celles-ci soient échues ou non. Le Créancier aura le choix de l'imputation de toute somme perçue, dans l'exercice de ses droits aux fins du présent article.

8.04 Aucune renonciation

Les droits et recours du Créancier peuvent être exercés à l'égard de tous les Biens hypothéqués globalement ou à l'égard de chacun d'eux séparément. L'exercice par le Créancier d'un de ses droits ne l'empêchera pas d'exercer tout autre droit lui résultant de la présente convention; les droits du Créancier sont cumulatifs et non alternatifs. Le non-exercice par le Créancier de l'un de ses droits ne constitue pas une renonciation à l'exercice ultérieur de ce droit.

8.05 Aucune exigence d'exercer ses droits

Le Créancier ne sera pas tenu d'exercer les droits lui résultant des présentes et il n'aura aucune responsabilité en raison du non-exercice de ses droits. Le Débiteur s'oblige à faire tout en son pouvoir pour que les créances hypothéquées soient acquittées régulièrement et le Créancier n'aura pas l'obligation de l'informer d'une irrégularité de paiement dont il aurait connaissance. Le Créancier peut exercer les droits lui résultant de la présente Hypothèque sans avoir à exercer ses autres recours contre le Débiteur ou toute autre personne responsable du paiement des Obligations et sans avoir à réaliser toute autre sûreté garantissant celles-ci.

8.06 Diligence raisonnable

Le Créancier n'est tenu d'exercer qu'une diligence raisonnable dans l'exercice de ses droits ou l'accomplissement de ses obligations. De plus, il n'est responsable que de sa faute lourde ou intentionnelle.

8.07 Délégation de droits

Le Créancier peut déléguer à une autre personne l'exercice des droits ou l'accomplissement des obligations lui résultant de la présente Hypothèque; en pareil cas, le Créancier est autorisé à fournir à cette autre personne tout renseignement qu'il possède sur le Débiteur ou sur les Biens hypothéqués.

8.08 Successeurs et cessionnaires

La présente Hypothèque liera le Débiteur envers le Créancier et tout cessionnaire ou successeur de celui-ci, par voie de fusion ou autrement.


8.09 Disposition déclarée inopérante

Si une disposition de la présente Hypothèque était invalide ou sans effet, les autres dispositions conserveront tout leur effet.

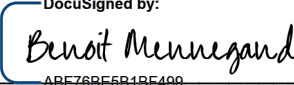
(les signatures suivent)

ET LES PARTIES ONT SIGNÉ :

AURELIUS IV UK ACQUICO SEVEN LIMITED

DocuSigned by:

par : _____
nom : Doreen Alldread
titre : Director
Adresse : 33 Glasshouse Street
w1b 5DG London
Courriel : leo.alldread@aurelius-group.com

THE BODY SHOP CANADA LIMITED

DocuSigned by:

par : _____
nom : mennegand benoit
titre : Director
Adresse : 89 jefferson St Apt 5A
Hoboken NJ 07030
Courriel : benoit.mennegand@thebodyshop.com

This is Exhibit "L" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

RELEASE OF SECURITY

TO: The Body Shop International Limited (In Administration) ("TBSI")

AND TO: The Body Shop Canada Limited ("TBSC")

RE: Aurelius IV UK Acquico Seven Limited (the "Lender") loan (the "Loan") to TBSI subject to a guarantee and indemnity agreement dated as of December 29, 2023 (the "Guarantee and Indemnity Agreement")

AND RE: Release of security held by the Lender in the personal property of inter alia TBSI and TBSC (collectively, the "Obligors") pursuant to a security release letter dated May 28, 2024

DATE: 7 September, 2024

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Lender:

1. Effective as of the date hereof, the Lender hereby irrevocably and unconditionally forever remises, discharges and releases all security, liens, guarantees, covenants, indemnities, mortgages, charges, and pledges provided by the Obligors, together with all security interests in the assets of the Obligors in relation thereto, which the Lender may now have or hereafter can, shall or may have in connection with the indebtedness of TBSI to the Lender pursuant to the Guarantee and Indemnity Agreement and all other agreements, documents, certificates, security delivered by the Obligors in connection thereto, including but not limited to, the following:

- (i) a General Security Agreement dated December 29, 2023;
- (ii) a Share Pledge Agreement dated December 29, 2023; and
- (iii) Hypotheque Mobiliere dated on or about December 29, 2023

together (the "**Canadian Security Documents**", which for the avoidance of doubt shall exclude the Guarantee and Indemnity Agreement),

and the Lender acknowledges that this release constitutes and is intended to constitute an absolute and unconditional release.

2. The Lender undertakes to do all things, give all notices, execute and sign all deeds and documents (including any notices, transfers, registrations or filings) and take all actions required to discharge and release the Canadian Security Documents pursuant to Clause 1 of this Release.
3. The Lender authorises the Obligors to, from the date of this Release, take any steps (including, without limitation, the making of any filings or the sending of any notice to any authority or other third party) necessary or desirable to give effect to Clause 1 of this Release.
4. Notwithstanding the terms of Clause 1 of this Release, the Lender reserves any and all rights, remedies, claims and/or discretions they may have now or subsequently under or in connection with the Guarantee and Indemnity Agreement. For clarity, the Guarantee and Indemnity Agreement shall not constitute a Canadian Security Document and shall continue to remain in full force and

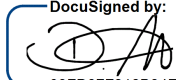
effect as an unsecured guarantee of the Loan. The Lender hereby acknowledges that this reservation of rights is without prejudice to the right of TBSC, or any other party, to dispute the validity, enforceability of the Guarantee and Indemnity Agreement or any debt guaranteed thereunder by TBSC.

5. The Lender hereby irrevocably and unconditionally authorizes and directs any or all of the lawyers within the firms of Jones Day, Chaitons LLP or Davies Ward Phillips & Vineberg LLP to, or to instruct its local counsel or agent to, act on its behalf as its agent in discharging its security interests and the registrations filed against the Obligors under the *Personal Property Security Act* (Ontario), or under the equivalent legislation in all Canadian provinces where such registrations have been made, including, without limitation, those registrations described on Schedule A hereto.
6. The release shall enure to the benefit of the Obligors and its officers, directors, employees, shareholders (direct and indirect), servants, agents, representatives of all kind, administrators, successors and assigns and shall be binding upon the Lender and its successors and assigns and the Lender and its officers, directors, employees, servants, agents, representatives of all kind, administrators, successors and assigns.
7. The Release shall be governed by and construed in accordance with the laws of the Province of Ontario, and/or the federal laws of Canada, as applicable.
8. This Release may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

AURELIUS IV UK ACQUICO SEVEN LIMITED

Per: 
Name: Doreen Alldread

I have authority to bind the Corporation.

SCHEDULE A**PPSA Registrations in Favour of Aurelius IV UK Acquico Seven Limited**

No.	Date of Registration	Jurisdiction	File No.	Registration No.	Collateral Description
1.	December 22, 2023	Ontario	501451686	20231222 1121 1590 4230	All of the debtor's present and after acquired personal property and proceeds thereof.
2.	December 22, 2023	British Columbia	N/A	985899P	All of the debtor's present and after acquired personal property and proceeds thereof.
3.	December 22, 2023	Alberta	N/A	23122208936	All of the debtor's present and after acquired personal property and proceeds thereof.
4.	December 22, 2023	Saskatchewan	N/A	302500434	All of the debtor's present and after acquired personal property and proceeds thereof.
5.	December 22, 2023	Manitoba	N/A	202321135503	All of the debtor's present and after acquired personal property.
6.	December 22, 2023	New Brunswick	N/A	39387741	All of the debtor's present and after acquired personal property and proceeds thereof.
7.	December 22, 2023	Nova Scotia	N/A	38896395	All of the debtor's present and after acquired personal property and proceeds thereof.
8.	December 22, 2023	Newfoundland and Labrador	N/A	21386677	All of the debtor's present and after acquired personal property and proceeds thereof.
9.	December 22, 2023	Prince Edward Island	N/A	6424407	All of the debtor's present and after acquired personal property and proceeds thereof.
10.	December 22, 2023	Nunavut	N/A	559005	All of the debtor's present and after acquired personal property and proceeds thereof.
11.	December 22, 2023	Northwest Territories	N/A	1994220	All of the debtor's present and after acquired personal property and proceeds thereof.

No.	Date of Registration	Jurisdiction	File No.	Registration No.	Collateral Description
12.	December 22, 2023	Yukon	N/A	9438637	All of the debtor's present and after acquired personal property and proceeds thereof.
13.	January 10, 2024	Quebec	N/A	24-0020790-0001	<p>The Debtor may collect the Receivables forming part of the Hypothecated Property until such time as Aurelius IV UK Acquico Seven Limited withdraws its authorization therefor.</p> <p>"Receivables" shall mean the Debtor's present and future, corporeal and incorporeal receivables, whatever the nature thereof and wherever located, including, without limiting the generality of the foregoing, all accounts receivable, rights of recourse, claims, judgments, contractual rights, monies on deposit, proceeds from the sale, assignment or lease of assets, rights or titles, benefits or indemnities payable under insurance contracts, amounts owing to the Debtor or which may become due and payable, as well as all judgments and other rights, benefits, guarantees and security interests for claims that exist or may exist in favour of the Debtor, as well as all books, records, registers and accounts, customer lists, customer files, and any other customer-related information and all deeds, letters, invoices, papers and documents evidencing or relating to the receivables.</p>

This is Exhibit "M" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Vancouver, in the Province of British Columbia, before me on September 25, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jason Stephanian

Commissioner for Taking Affidavits (or as may be)

JASON STEPHANIAN (LSO# 90231V)

RIMON P.C.
Counsel to the Chapter 7 Trustee
Kenneth P. Silverman, Esq.
100 Jericho Quadrangle Suite 300
Jericho, New York 11753
Brian Powers
Courtney M. Roman

Hearing Date: September 26, 2024
Time: 10:00 a.m.

Objections Due: September 19, 2024
Time: 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,
Debtor.
-----X

Case No.: 24-10392 (DSJ)

**NOTICE OF HEARING ON CHAPTER 7 TRUSTEE'S
MOTION IN FURTHER SUPPORT OF THE COURT'S
PREVIOUSLY ENTERED BIDDING PROCEDURES ORDER**

PLEASE TAKE NOTICE THAT, upon the motion (the "Motion") of Kenenth P. Silverman, the chapter 7 trustee (the "Trustee") for the bankruptcy estate of Buth-Na-Bodhaige, Inc. (the "Debtor"), by his counsel, Rimom P.C., will move before the Honorable David S. Jones, United States Bankruptcy Judge, for the United States Bankruptcy Court of the Southern District of New York, via Zoom for Government, on **September 26, 2024 at 10:00 a.m.** (the "Hearing"), or as soon thereafter as counsel can be heard, for entry of an order, substantially in the form annexed to the Motion as Exhibit A, for signature (i) deeming any and all personal property of non-Debtor parties remaining in the Real Property as of the termination of the License Agreement (defined herein) (collectively, the "Remnant Personal Property") abandoned to the Debtor; (ii) authorizing the Trustee to dispose of the Remnant Personal Property in the most cost effective manner, including but not limited to sale, destruction, donation, or abandonment of the Remnant Personal Property; and (iii) granting such other, further, and different relief as this court deems just and proper.



PLEASE TAKE FURTHER NOTICE, that prior to the Hearing, any party wishing to appear at the Hearing is required to register their appearance by 4:00 p.m. one (1) business day in advance of the Hearing using the Court's eCourt Appearances platform: <https://ecf.nysb.uscourts.gov/cgi-bin/nysbAppearances.pl>.

PLEASE TAKE FURTHER NOTICE, that objections to the relief sought in the Motion shall be in writing, conform to the requirements of the Bankruptcy Code, Bankruptcy Rules, and the Local Rules of this Court, must set forth the name of the objecting party, the basis for the objection and the specific grounds therefore, and must be filed electronically with the Bankruptcy Court in accordance with General Order M-399 (General Order M-399 and the User's Manual for the Electronic Case Filing System may be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system, and by all other parties in interest on a disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with courtesy copies delivered directly to Chambers), and must be served upon (i) counsel to the Trustee, Rimon P.C., 100 Jericho Quadrangle, Suite 300, Jericho, New York, 11753, Attn: Brian Powers, Esq. and (ii) The Office of the United States Trustee, Alexander Hamilton Custom House, One Bowling Green, Room 534, New York, New York, 10004-1408, Attn: Mark Bruh, Esq., no later than **September 19, 2024 at 4:00 p.m.**

PLEASE TAKE FURTHER NOTICE, that the Hearing may be adjourned without further notice other than the announcement of such adjournment in open Court or by the filing of such notice of adjournment on the docket sheet for the Debtor's case.

PLEASE TAKE FURTHER NOTICE, that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

Dated: Jericho, New York
September 5, 2024

RIMON P.C.
Counsel to Kenneth P. Silverman, Esq.,
the Chapter 7 Trustee

By: s/ Brian Powers
Brian Powers
Partner
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753

RIMON P.C.
Counsel to the Chapter 7 Trustee
Kenneth P. Silverman, Esq.
100 Jericho Quadrangle Suite 300
Jericho, New York 11753
Brian Powers
Courtney M. Roman

Hearing Date: September 26, 2024
Time: 10:00 a.m.

Objections Due: September 19, 2024
Time: 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,
Debtor.

Case No.: 24-10392 (DSJ)
-----X

**CHAPTER 7 TRUSTEE'S MOTION IN FURTHER SUPPORT OF
THE COURT'S PREVIOUSLY ENTERED BIDDING PROCEDURES ORDER**

Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") for the bankruptcy estate of Buth-Na-Bodhaige, Inc. (the "Debtor"), respectfully submits this motion (the "Motion") in further support of the Court's Bidding Procedures Order (as defined herein) and the Trustee's proposed sale of the Real Property (defined herein), pursuant to sections 105, 33, 503, and 554 of chapter 11 of title 11, United States Code (the "Bankruptcy Code"), and Rules 2002, 9004, 9007 and 9007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), annexed hereto as **Exhibit A**: (i) deeming any and all personal property of non-Debtor parties remaining in the Real Property as of the termination of the License Agreement (defined herein) (collectively, the "Remnant Personal Property") abandoned to the Debtor; (ii) authorizing the Trustee to dispose of the Remnant Personal Property in the most cost effective manner, including but not limited to sale, destruction, donation, or abandonment of the Remnant Personal Property; and (iii) granting such other, further, and different relief as this court deems just and proper, and respectfully represents as follows:

BACKGROUND

The Debtor's Chapter 7 Case

1. On March 8, 2024 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to chapter 7 of the Bankruptcy Code.

2. On March 9, 2024, Kenneth P. Silverman, Esq., was appointed the interim chapter 7 trustee of the Debtor's estate. On April 9, 2024, the initial section 341 First Meeting of Creditors was held and the Trustee duly qualified and has become the permanent Trustee.

3. Upon review of the Debtor's bankruptcy petition and the testimony at the Debtor's Bankruptcy Code 341(a) First Meeting of Creditors, the Trustee learned that, among other things, the Debtor has 100% ownership interest in the real property known as and located at 503 One World Way, Wake Forest, North Carolina 27587 (the "Real Property").

4. On May 8, 2024, the Trustee filed an application pursuant to Bankruptcy Code 721 to permit him to operate the Debtor's business in a limited capacity (the "721 Motion"). The 721 Motion, and the request to pay many of the expenses relating to the Real Property, was filed in contemplation of entry into the License Agreement (as defined herein) and the payment of fees by The Body Shop Canada (defined herein) thereunder. By Order dated May 23, 2024 (ECF Doc. No. 59) (the "721 Order"), the Court granted the 721 Motion.

The Debtor and the Corporate Structure

5. The Debtor was a cosmetic skin care retailer that is a subsidiary of the Body Shop International Limited ("TBSI"), a United Kingdom based company. TBSI is currently in administration in the United Kingdom. Shortly after TBSI entered administration, the Debtor terminated all of its employees, closed all of its retail locations, and filed this chapter 7 case.

. The Debtor's Canadian affiliate, The Body Shop Canada Limited ("The Body Shop Canada") and, together with TBSI, the "Affiliate Parties", is also a subsidiary of TBSI and has filed its own Canadian insolvency Proceeding.

7. On or about March 31, 2007, the Debtor entered into a Storage and Related Services Agreement (the "Storage Agreement")¹ with TBSI, which permitted, among other things, TBSI to store its inventory in the Real Property. Upon information and belief, the Storage Agreement was the operative agreement between the parties relating to the Real Property as of the Petition Date. The Storage Agreement was rejected by operation of Bankruptcy Code 3 5(d)(1) on May 7, 2024.

8. The Debtor's Real Property currently stores inventory owned by TBSI (the "Inventory"). The Real Property has historically been used by the Debtor and the Affiliate Parties, as a distribution center through which Inventory would flow to stores and/or destination or fulfillment centers located in the United States and Canada. As of the Petition Date, approximately .5 million in at-cost Inventory was stored in the Real Property.²

The Real Property and the License Agreement

9. The Real Property is a 145,800 square foot warehouse located at 503 One World Way, Wake Forest, North Carolina 27587.

10. On June 11, 2024, the Court entered an order (ECF Doc. No. 72) approving a license agreement (the "License Agreement") for the Real Property between the Trustee and The Body Shop Canada.³ By its terms, the License Agreement expires on June 30, 2024, with potential extensions up to September 30, 2024. To date, The Body Shop Canada has extended the License

¹ A copy of the Storage Agreement is annexed to the Declaration of Kenneth P. Silverman, Esq., filed simultaneously herewith (the "Silverman Declaration"), as Exhibit 1.

² The retail sales value of inventory at cost is worth six to eight times the cost value.

³ A copy of the License Agreement is annexed to the Silverman Declaration as Exhibit 2.

Agreement up through September 30, 2024, although it remains terminable on five (5) business days' notice by either party without cause.

11. Under the License Agreement, the primary function of the Real Property was to operate as a distribution center through which the Affiliate Parties would ship Inventory owned by either Affiliate Party to their respective stores or storage facilities. The Body Shop Canada coordinated with TBSI to arrange necessary replenishment orders, and TBSI funded The Body Shop Canada's obligations under the License Agreement in order to facilitate the return of large portions of its Inventory to TBSI-controlled locations.

12. Throughout the term of the License Agreement, the Trustee has been in constant contact with representatives of each of the Affiliate Parties to monitor the efficiency and logistics of shipments of Inventory from the Real Property, and to ensure that all Inventory would be removed prior to the expiration of the License Agreement. Although the Trustee has been provided several schedules for shipments of the majority of the Inventory, at no time has the Trustee ever been provided with a schedule for the removal of all of the Inventory, including stale and outdated inventory, despite dozens of requests for that information.

13. To date, it appears that more than half of the Inventory stored in the Real Property has been shipped out, with a large portion of that inventory being repatriated to TBSI-controlled locations and the remainder sold by TBSI to The Body Shop Canada and shipped to retail or other locations. Upon information and belief, additional shipments will be ongoing through the month of September 2024.⁴

14. Despite the substantial amount of Inventory that has been removed to date, it has become apparent from the Trustee's discussions with the Affiliate Parties that, upon the conclusion

⁴ The anticipated shipping schedule has been recently modified by The Body Shop Canada which could result in a cessation of shipping activity.

of the License Agreement, the Affiliate Parties intend to leave a significant portion of the Inventory and certain other personal property in the Real Property. The Trustee expects the Remnant Personal Property to primarily include (i) stale and outdated inventory, and (ii) personal protective equipment and related items (the “PPE”) remaining from after the pandemic. At that point, it appears that neither TBSI nor The Body Shop Canada intend to remove such Remnant Personal Property from the Real Property as its value would be exceeded by the cost to move it.

15. With that understanding, as well as the timing issues created by the ongoing sale process (described below), the Trustee and his professionals have attempted to formulate a plan for the removal of the Remnant Personal Property from the Real Property prior to sale. Those efforts are hampered, however, by the fact that it remains unclear exactly what Inventory will remain on the premises to become Remnant Personal Property and what Inventory will be removed.

1 . Notwithstanding, based upon the information that the Trustee and his professionals have been able to gather thus far, the Trustee anticipates that the costs of the removal of the Remnant Personal Property will not require an increase in the budget previously approved by this Court by the 721 Order, with the costs being somewhat offset if the Trustee is authorized to liquidate, abandon, and/or donate the Remnant Personal Property. For example, based upon discussions between the Trustee’s professionals and various third parties, the Trustee does not believe that the remaining PPE has any net value to the estate after shipping costs, but the Salvation Army is willing to accept a donation of portions of the PPE and cover all shipping costs itself.

The Sale Process

17. On July 1 , 2024, the Court entered an order (ECF Doc. No. 90) approving bidding procedures for the sale of the Real Property, approving the form purchase agreement, approving

bid protections in favor of the stalking horse purchaser, approving the form and manner of service of the auction notice, and scheduling an action (the “Bidding Procedures Order”).

18. Pursuant to the Bidding Procedures Order, the Auction (as defined therein) for the Real Property shall take place on September 12, 2024, with a sale confirmation hearing to be held on September 17, 2024. Once a successful purchaser is approved, the Trustee expects that he will have between six () and eight (8) weeks (depending on the purchaser) to close on the Real Property. The Bidding Procedures Order provides, and the Trustee expects that all potential purchasers would require, that the Real Property be delivered completely vacant and broom clean.

JURISDICTION AND VENUE

19. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. 157 and 1334. Venue is proper pursuant to 28 U.S.C. 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. 157(b)(2).

LEGAL ARGUMENT

20. As described above, the Affiliate Parties, the only two parties other than the Debtor which could conceivably have a claim to title to the Remnant Personal Property, have failed (after dozens of requests) to give the Trustee any formal indication of their intent to abandon the Remnant Personal Property. However, through the series of shipment schedules presented to the Trustee and the various conversations between the Trustee, his professionals, and the Affiliate Parties, both Affiliate Parties have made it clear that they intend to abandon the Remnant Personal Property at the conclusion of the License Agreement.

21. Moreover, the stalking horse purchase agreement approved by the Court provides, as the Trustee expects any winning bid to require, for the Real Property to be delivered vacant and without the Remnant Personal Property. As described above, the Trustee and his professionals

have been diligently working to create a plan for the removal of the Remnant Personal Property in the most cost-efficient manner in the time permitted by the Bidding Procedures Order. However, due to the proximity of the expiration of the License Agreement and the expected sale closing, the Trustee will be required to move expeditiously to remove the Remnant Personal Property and will require the ability to make immediate decisions regarding the Remnant Personal Property on a case-by-case basis.

I. TBSI AND THE BODY SHOP CANADA SHOULD BE DEEMED TO HAVE ABANDONED ANY PERSONAL PROPERTY REMAINING IN THE REAL PROPERTY AFTER THE CONCLUSION OF THE LICENSE AGREEMENT

22. Pursuant to the Storage Agreement, upon its termination, “whether in accordance with the Storage Agreement or otherwise,” the Debtor was to return all of TBSI’s Inventory in the Real Property to TBSI “as may be directed by TBSI at TBSI’s expense.” Storage Agreement,

7.4. On May 7, 2024, the Storage Agreement was rejected by operation of Bankruptcy Code 3 5(d)(1), and has thus been terminated.

23. As discussed at length above, and in an effort to, among other things, satisfy his obligations under the Storage Agreement, the Trustee entered into negotiations with the Affiliate Parties to determine how best to remove the remaining Inventory. The result of those negotiations culminated in the entry of the License Agreement, under which The Body Shop Canada was the licensee. It has been the Trustee’s understanding from his discussions with the parties that TBSI, through offsets against the price to purchase portions of the Inventory and otherwise, has been funding some or all of the payments to the Trustee under the License Agreement and the operations of The Body Shop Canada at the Real Property.

24. The License Agreement was negotiated for a specific term, with extensions, intentionally to provide the Affiliate Parties with ample time to remove all Inventory from the Real

Property. Throughout the process, the Trustee and his advisors have been in constant communication with the Affiliate Parties to ensure that all Inventory and other personal property of the Affiliate Parties would be timely removed. Notwithstanding the Trustee's efforts to the contrary, and after dozens of verbal and written requests for information, neither Affiliate Party has indicated that it has any plan to remove the Remnant Personal Property prior to the expiration of the License Agreement.

25. Pursuant to North Carolina law, under which the Storage Agreement and the License Agreement are both governed,⁵ abandonment of personal property requires "both the intention to abandon and the external act by which such intention is carried into effect." *Raleigh C & S R Co. v. McGuire*, 171 N.C. 277 (191); *see also Miller v. Teer*, 220 N.C. 50 (1942) ("both the intention to relinquish all claim to and dominion over the property and the external act by which this intention is executed, and that is, the actual relinquishment of it, so that it may be appropriated by the next comer."); *Kitchen v. Wachovia Bank and Trust Co. N.A.*, 44 N.C. App. 332 (1979) (an intent to relinquish the property permanently is an essential element of abandonment of property). Additionally, parties are free to contract for specific terms relating to abandonment of personal property. *See Fairway Outdoor Advertising v. Edwards*, 197 N.C. App. 50 (2009) (the Court found that plaintiff's actions were reasonable within the meaning of the lease agreement which provided plaintiff the right "to remove all structures, equipment and materials from Lessor's premises within a reasonable period of time after the expiration of this Lease....").

2. Here, as discussed above, by leaving the Remnant Personal Property in the Real Property after the expiration of the License Agreement, after months of planned and executed

⁵ See Storage Agreement, 10; License Agreement, 22(c).

shipments to remove the Inventory deemed valuable by the Affiliate Parties, the Affiliate Parties will have demonstrated a clear intention to abandon the Remnant Personal Property. That intent is specifically shown by the Affiliate Parties' failure to include the Remnant Personal Property in any of the shipment plans presented to the Trustee and negotiated as between the Affiliate Parties themselves, as well as the Affiliate Parties' refusal to provide the Trustee with any plan to remove the Remnant Personal Property. Moreover, the "external act" of abandonment requirement will be satisfied by the Affiliate Parties' vacatur of the Real Property without having removed the Remnant Personal Property.

27. Notably, the Storage Agreement requires the Debtor to return the Remnant Personal Property to TBSI "as may be directed by TBSI at TBSI's expense." *See* Storage Agreement, 7.4. TBSI has continuously refused to provide any direction to the Trustee, written or otherwise, or provide the Trustee with any plan for payment of the removal of the Remnant Personal Property. Accordingly, TBSI's failure to comply with its obligations under the Storage Agreement clearly shows its intent to abandon the Remnant Personal Property. The Trustee reserves the right to assert claims against TBSI for any cost incurred by the estate relating to the removal of the Remnant Personal Property.

28. Moreover, although the Trustee believes that the majority, if not all, of the Remnant Personal Property will likely have been owned by TBSI, the License Agreement specifically provides that The Body Shop Canada "has no obligation to remove or pay for the removal of any merchandise inventory that remains in the Licensed Area at the end of the License Period." License Agreement, 18. Accordingly, it is clear that The Body Shop Canada contemplated abandonment of personal property remaining at the Real Property even prior to entry into the

License Agreement, and any of the Remnant Personal Property owned by The Body Shop Canada would clearly have been intentionally abandoned.

29. Finally, the filing of this Motion provides the Affiliate Parties with additional notice of the Trustee's intentions with respect to the Remnant Personal Property, with twenty-five (25) days to remove anything that they do not wish to abandon.

30. Based on the foregoing, by leaving the Remnant Personal Property in the Real Property, the Affiliate Parties will have satisfied the requirements for abandonment of the Remnant Personal Property, and it should be deemed abandoned to the Trustee.

II. THE COURT SHOULD AUTHORIZE THE TRUSTEE TO TAKE THE NECESSARY STEPS TO REMOVE THE REMNANT PERSONAL PROPERTY FROM THE REAL PROPERTY

31. When circumstances warrant, especially when time or monetary constraints would make seeking individual approvals impractical, Bankruptcy Courts have provided trustees with advance approval to sell *de minimis* assets of the bankruptcy estate. *See In re Vertis Holdings, Inc.*, No. 12-12821 (CSS), 2010 WL 11828397 (Bankr. D. Del. Jan. 28, 2010) (approving the sale or transfer of *de minimis* assets with a selling price equal to or less than 250,000.00 without further notice or court order); *Green Field Energy Servs., Inc.*, No. 13-12783 (KG), 2013 WL 908773 (Bankr. D. Del. Nov. 2, 2013); *In re Great Atl. & Pac. Tea Co., Inc.*, No. 10-24549 (RDD), 2011 WL 779739 (Bankr. S.D.N.Y. Dec. 19, 2011).

32. Additionally, Bankruptcy Code 554(a) permits a trustee, to abandon "property of the estate that is burdensome to the state or that is of inconsequential value and benefit to the estate." 11 U.S.C. 554(a). *See, e.g., Midlantic Nat'l bank v. N.J. Dep't of Envtl. Prot.*, 474 U.S. 494, 497) (1985), *reh'g denied*, 475 U.S. 1091 (1985); *In re Catamount Dyers, Inc.*, 50 B.R. 790, 793 (Bankr. D. t. 1985).

33. Here, the Real Property has significant value to the Debtor's estate, with the requirement that it be delivered vacant and broom clean to the potential purchaser. Accordingly, because the Affiliate Parties will have abandoned the Remnant Personal Property, the Trustee will need to take measures to remove the Remnant Personal Property prior to closing on the sale contemplated by the Bidding Procedures Order.

34. However, due to the considerable time constraints and the Trustee's inability at this time to accurately determine all of the specific Remnant Personal Property which will need to be removed, the Trustee requires the ability to make quick determinations regarding the most cost-efficient manner to remove the Remnant Personal Property without the need for additional Court orders. Importantly, the Trustee has determined that, based upon discussions with potential liquidators and the fact that the Affiliate Parties would have abandoned the Remnant Personal Property rather than removing it, the Remnant Personal Property likely has no more than *de minimis* value to the estate net of removal costs.

35. Accordingly, the Trustee proposes that he be authorized to take any and all steps necessary to remove the Inventory from the Real Property, including but not limited to the sale, destruction, donation, or abandonment of the Remnant Personal Property. The Trustee further proposes that, for purposes of transparency of this process, that he file a report describing the income and expenditures relating to the removal of the Remnant Personal Property as part of his reporting requirements under the 721 Order. As set forth above, the Trustee does not anticipate that he will not be required to expend any additional funds not already approved by the 721 Order, with the *de minimis* sale proceeds of certain Remnant Personal Property paying for the destruction and related costs of the remainder of the Remnant Personal Property.

3 . No previous application for the relief sought herein has been made to this or any other Court.

HEREFORE, the Trustee respectfully requests the entry of the proposed order: (i) deeming the Remnant Personal Property abandoned to the Debtor; (ii) authorizing the Trustee to dispose of the Remnant Personal Property in the most cost effective manner, including but not limited to sale, destruction, donation, or abandonment of the Remnant Personal Property; and (iii) granting such other, further, and different relief as this court deems just and proper.

Dated: Jericho, New York
September 5, 2023

RIMON P.C.
Attorneys for Kenneth P. Silverman, Esq.,
the Chapter 7 Trustee

By: s/ Brian Powers
Brian Powers
Partner
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753
(516) 479- 300

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,

Case No.: 24-10392 (DSJ)

Debtor.
-----X

**ORDER GRANTING CHAPTER 7 TRUSTEE’S MOTION IN FURTHER SUPPORT
OF THE COURT’S PREVIOUSLY ENTERED BIDDING PROCEDURES ORDER**

Upon the motion (the “Motion”) of Kenneth P. Silverman, Esq., the chapter 7 trustee (the “Trustee”) for the bankruptcy estate of Buth-Na-Bodhaige, Inc. (the “Debtor”) in further support of the Court’s Bidding Procedures Order (as defined therein), pursuant to sections 105, 33, and 503 of chapter 11 of title 11, United States Code (the “Bankruptcy Code”), and Rules 2002, 2004, 900 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking entry of an order: (i) deeming any and all personal property of non-Debtor parties remaining in the Real Property as of the termination of the License Agreement (as defined in the Motion) (collectively, the “Remnant Personal Property”) abandoned to the Debtor; (ii) authorizing the Trustee to dispose of the Remnant Personal Property in the most cost effective manner, including but not limited to sale, destruction, donation, or abandonment of the Remnant Personal Property; and (iii) granting such other, further, and different relief as this court deems just and proper; and a hearing on the Motion having been held on September 2, 2024 (the “Hearing”), the record of which is incorporated herein by reference; and notice of the Motion, the Hearing, and the relief sought in the Motion having been good and sufficient under the circumstances; and the Court having determined that the legal and factual bases set forth in the Motion establishing sufficient cause for the relief requested; it is hereby

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Remnant Personal Property is deemed abandoned to the Debtor and its estate; and it is further

ORDERED, that, pursuant to Bankruptcy Code 33 and 554, the Trustee is authorized to dispose the Remnant Personal Property in the manner which the Trustee, in his business judgment, deems to be most cost-effective, including but not limited to the sale, destruction, donation, and/or abandonment of the Remnant Personal Property; and it is further

ORDERED, that, as part of his reporting obligations pursuant to this Court's order authorizing the Trustee to operate the Debtor's business on a limited basis (ECF Doc. No. 59) (the "721 Order"), the Trustee shall file and serve upon the Office of the United States Trustee a report describing the income and expenditures relating to the removal of the Remnant Personal Property on a monthly basis; and it is further

ORDERED, that, absent further order of this Court, the Trustee shall not expend estate funds in excess of: (i) the total proceeds derived from the sale of the Remnant Personal Property, s (ii) funds authorized to be expended pursuant to the 721 Order; and it is further

ORDERED, that the Trustee be, and hereby is, authorized to do such things, execute such documents, and (subject to the preceding paragraph) expend such funds as may be necessary to effectuate the terms and conditions of this Order.

Dated: New York, New York
September __, 2024

HONORABLE DAVID S. JONES
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,

Case No.: 24-10392 (DSJ)

Debtor.
-----X

**DECLARATION OF KENNETH P. SILVERMAN, ESQ. IN SUPPORT
OF CHAPTER 7 TRUSTEE'S MOTION IN FURTHER SUPPORT OF
THE COURT'S PREVIOUSLY ENTERED BIDDING PROCEDURES ORDER**

I, Kenneth P. Silverman, Esq., declare as follows:

1. I am a partner of Rimon P.C. and the chapter 7 trustee (the "Trustee") of the bankruptcy estate (the "Estate") of Buth-Na-Bodhaige, Inc. (the "Debtor"), with offices located at 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753. I am duly admitted to practice before this Court and the courts of the State of New York.

2. I submit this declaration (this "Declaration") in support of the motion (the "Motion")¹ in further support of the Court's Bidding Procedures Order (as defined therein), pursuant to sections 105, 363, 503, and 554 of chapter 11 of title 11, United States Code (the "Bankruptcy Code"), and Rules 2002, 3004, 9001 and 9007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), seeking entry of an order: (i) deeming any and all personal property of non-Debtor parties remaining in the Real Property as of the termination of the License Agreement (defined herein) (collectively, the "Remnant Personal Property") abandoned to the Debtor; (ii) authorizing the disposal of the Remnant Personal Property in the most cost effective manner, including but not limited to sale, destruction, donation, or abandonment of the Remnant

¹ All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

Personal Property; and (iii) granting such other, further, and different relief as this court deems just and proper.

3. I have reviewed the Motion and relevant documents thereto and certify that its contents are true and correct to the best of my knowledge, and those facts are incorporated herein by reference.

I. The Debtor's Chapter 7 Case

4. On March 8, 2024 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to chapter 7 of the Bankruptcy Code.

5. On March 9, 2024, I was appointed the interim chapter 7 trustee of the Debtor's estate. On April 9, 2024, the initial section 341 First Meeting of Creditors was held, I was duly qualified and became the permanent Trustee.

Through my review of the Debtor's bankruptcy petition and the testimony at the Debtor's Bankruptcy Code 341(a) First Meeting of Creditors, I learned that, among other things, the Debtor has 100% ownership interest in the real property known as and located at 503 One World Way, Wake Forest, North Carolina 27587 (the "Real Property").

7. On May 8, 2024, I filed an application pursuant to Bankruptcy Code 721 to permit my operation of the Debtor's business in a limited capacity (the "721 Motion"). The 721 Motion, and the request to pay many of the expenses relating to the Real Property, was filed in contemplation of entry into the License Agreement (as defined herein) and the payment of fees by The Body Shop Canada (defined herein) thereunder. By Order dated May 23, 2024 (ECF Doc. No. 59) (the "721 Order"), the Court granted the 721 Motion.

II. The Debtor's Corporate Structure

8. The Debtor was a cosmetic skin care retailer that is a subsidiary of the Body Shop International Limited (“TBSI”), a United Kingdom based company. TBSI is currently in administration in the United Kingdom. Shortly after TBSI entered administration, the Debtor terminated all of its employees, closed all of its retail locations, and filed this chapter 7 case.

9. The Debtor’s Canadian affiliate, The Body Shop Canada Limited (“The Body Shop Canada” and, together with TBSI, the “Affiliate Parties”), is also a subsidiary of TBSI and has filed its own Canadian insolvency Proceeding.

10. On or about March 31, 2007, the Debtor entered into a Storage and Related Services Agreement (the “Storage Agreement”) with TBSI, which permitted, among other things, TBSI to store its inventory in the Real Property. Upon information and belief, the Storage Agreement was the operative agreement between the parties relating to the Real Property as of the Petition Date. The Storage Agreement was rejected by operation of Bankruptcy Code 3 5(d)(1) on May 7, 2024. A copy of the Storage Agreement is annexed hereto as **E xhibit 1**.

11. The Debtor’s Real Property currently stores inventory owned by TBSI (the “Inventory”). The Real Property has historically been used by the Debtor and the Affiliate Parties, as a distribution center through which Inventory would flow to stores and/or destination or fulfillment centers located in the United States and Canada. As of the Petition Date, approximately .5 million in at-cost Inventory was stored in the Real Property.²

III. The Real Property and the License Agreement

12. The Real Property is a 145,800 square foot warehouse located at 503 One World Way, Wake Forest, North Carolina 27587.

² Through an investigation into the Debtor’s financial affairs, I determined the retail sales value of inventory at cost is worth six to eight times the cost value.

13. As described below and in the Motion, I entered into license agreement (the “License Agreement”) for the Real Property with The Body Shop Canada. On June 11, 2024, the Court entered an order (ECF Doc. No. 72) approving the License Agreement, annexed hereto as **Exhibit 2**. By its terms, the License Agreement expires on June 30, 2024, with potential extensions up to September 30, 2024. To date, The Body Shop Canada has extended the License Agreement up through September 30, 2024, although it remains terminable on five (5) business days’ notice by either party without cause.

14. Under the License Agreement, the primary function of the Real Property was to operate as a distribution center through which the Affiliate Parties would ship Inventory owned by either Affiliate Party to their respective stores or storage facilities. The Body Shop Canada coordinated with TBSI to arrange necessary replenishment orders, and TBSI funded The Body Shop Canada’s obligations under the License Agreement in order to facilitate the return of large portions of its Inventory to TBSI-controlled locations.

15. Throughout the term of the License Agreement, I have been in constant contact with representatives of each of the Affiliate Parties to monitor the efficiency and logistics of shipments of Inventory from the Real Property, and to ensure that all Inventory would be removed prior to the expiration of the License Agreement. Although I have been provided several schedules for shipments of the majority of the Inventory, at no time have I ever been provided with a schedule for the removal of all of the Inventory, including stale and outdated inventory, despite dozens of requests for that information.

16. To date, it appears that more than half of the Inventory stored in the Real Property has been shipped out, with a large portion of that inventory being repatriated to TBSI-controlled locations and the remainder sold by TBSI to The Body Shop Canada and shipped to retail or other

locations. Upon information and belief, additional shipments will be ongoing through the month of September 2024.³

17. Despite the substantial amount of Inventory that has been removed to date, it has become apparent from my discussions with the Affiliate Parties that, upon the conclusion of the License Agreement, the Affiliate Parties intend to leave a significant portion of the Inventory and certain other personal property in the Real Property. I expect the Remnant Personal Property to primarily include (i) stale and outdated inventory, and (ii) personal protective equipment and related items (the “PPE”) remaining from after the pandemic. At that point, it appears that neither TBSI nor The Body Shop Canada intend to remove such Remnant Personal Property from the Real Property as its value would be exceeded by the cost to move it.

18. With that understanding, as well as the timing issues created by the ongoing sale process (described below), my professionals and I have attempted to formulate a plan for the removal of the Remnant Personal Property from the Real Property prior to sale. Those efforts are hampered, however, by the fact that it remains unclear exactly what Inventory will remain on the premises to become Remnant Personal Property and what Inventory will be removed.

19. Notwithstanding, based upon the information that my professionals and I have been able to gather thus far, I anticipate that the costs of the removal of the Remnant Personal Property will not require an increase in the budget previously approved by this Court by the 721 Order, with the costs being somewhat offset if I am authorized to liquidate, abandon, and/or donate the Remnant Personal Property. For example, based upon discussions between my professionals and various third parties, I do not believe that the remaining PPE has any net value to the estate after

³ The anticipated shipping schedule has been recently modified by The Body Shop Canada which could result in a cessation of shipping activity.

shipping costs, but the Salvation Army is willing to accept a donation of portions of the PPE and cover all shipping costs itself.

IV. The Sale Process

20. On July 1, 2024, the Court entered an order (ECF Doc. No. 90) approving bidding procedures for the sale of the Real Property, approving the form purchase agreement, approving bid protections in favor of the stalking horse purchaser, approving the form and manner of service of the auction notice, and scheduling an action (the “Bidding Procedures Order”).

21. Pursuant to the Bidding Procedures Order, the Auction (as defined therein) for the Real Property shall take place on September 12, 2024, with a sale confirmation hearing to be held on September 17, 2024. Once a successful purchaser is approved, I expect to have between six (6) and eight (8) weeks (depending on the purchaser) to close on the Real Property. The Bidding Procedures Order provides, and I expect that all potential purchasers would require, that the Real Property be delivered completely vacant and broom clean.

V. Legal Argument

22. Pursuant to the Storage Agreement, upon its termination, “whether in accordance with the Storage Agreement or otherwise,” the Debtor was to return all of TBSI’s Inventory in the Real Property to TBSI “as may be directed by TBSI at TBSI’s expense.” Storage Agreement,

7.4. On May 7, 2024, the Storage Agreement was rejected by operation of Bankruptcy Code 3 5(d)(1), and has thus been terminated.

23. As discussed at length above, and in an effort to, among other things, satisfy his obligations under the Storage Agreement, I entered into negotiations with the Affiliate Parties to determine how best to remove the remaining Inventory. The result of those negotiations culminated in the entry of the License Agreement, under which The Body Shop Canada was the

licensee. It has been my understanding that TBSI, through offsets against the price to purchase portions of the Inventory and otherwise, has been funding some or all of the payments under the License Agreement and the operations of The Body Shop Canada at the Real Property.

24. The License Agreement was negotiated for a specific term, with extensions, intentionally to provide the Affiliate Parties with ample time to remove all Inventory from the Real Property. Throughout the process, my advisors and I have been in constant communication with the Affiliate Parties to ensure that all Inventory and other personal property of the Affiliate Parties would be timely removed. Notwithstanding my efforts to the contrary, and after dozens of verbal and written requests for information, neither Affiliate Party has indicated that it has any plan to remove the Remnant Personal Property prior to the expiration of the License Agreement.

25. Notably, the Storage Agreement requires the Debtor to return the Remnant Personal Property to TBSI “as may be directed by TBSI at TBSI’s expense.” *See* Storage Agreement, 7.4.

26. Moreover, the License Agreement specifically provides that The Body Shop Canada “has no obligation to remove or pay for the removal of any merchandise inventory that remains in the Licensed Area at the end of the License Period.” License Agreement, 18.

27. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Jericho, New York on September 5, 2024.

s/ Kenneth P. Silverman

Kenneth P. Silverman, Esq.

STORAGE AND RELATED SERVICES AGREEMENT

This Agreement is made as of the 31st day of March 2007

BETWEEN:

- 1) **THE BODY SHOP INTERNATIONAL PLC**, a company incorporated in England and having its registered office at Watersmead, Littlehampton, West Sussex BN17 6LS ("TBSI") of the one part; and
- 2) **BUTH-NA-BODHAIGE INC**, a company incorporated in Delaware and having its principal office at 5036 One World Way, Wake Forest, North Carolina 27587 ("BNB") of the other.

WHEREAS:

- 1) BNB has secured certain warehouse facilities at the Premises (hereafter defined).
- 2) TBSI is desirous of using the Premises for the storage of the Products (hereafter defined) prior to delivery to the Consignees (hereafter defined) and BNB is agreeable to providing such facilities and various services ancillary thereto as more particularly defined hereunder, and on the terms set forth herein.

IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings respectively set opposite them:

"**Agreement**" means this agreement, its recitals and any attached Schedules, together with any other documents expressly incorporated as part of the same.

"**Consignees**" means the franchisees, consultants, other authorised distributors and end-customers of TBSI and its affiliates.

"**Costs**" means the direct and indirect costs incurred by BNB in the provision of the services described in Section 2.1.2 (including that proportion of the monthly rental payable by BNB in respect of the Premises attributable to the warehousing facilities located at the Premises) as determined under IFRS.

"**Premises**" means the premises located at 9701 Capital Boulevard, Raleigh, NC at 5036 One World Way, Wake Forest, North Carolina 27587 and at such other or further premises procured by BNB from time to time and approved by TBSI.

"**Products**" means certain cosmetics, toiletries and accessory products owned or purchased by TBSI from time to time (including certain consumable products, such as wrapping, purchased by TBSI from BNB from time to time for the assembly of gifts).

- 1.2 In this Agreement, except where the context otherwise requires or unless otherwise specified:
- 1.2.1 references to legislation or to any provision of legislation include modification or re-enactments of, substitutions for, and all statutory instruments issued under, that legislation or provision;
 - 1.2.2 words denoting the singular include the plural and vice versa, and words denoting any one gender shall include all genders;
 - 1.2.3 "person" includes natural persons, companies and any other corporate or unincorporated organised group. Words denoting individuals include corporations, unincorporated associations and partnerships, and vice versa;
 - 1.2.4 references to Clauses and Schedules are references to clauses of and schedules to this Agreement. Headings do not affect interpretation;
 - 1.2.5 references to documents or agreements (including this Agreement) include references to amendments, novation, replacements and supplementation documents or agreements;
 - 1.2.6 references to any party to this Agreement or to any other document or agreement include its successors and permitted substitutes or assigns;
 - 1.2.7 "writing" and cognate expressions include all means of reproducing words in a tangible and permanently visible form;
 - 1.2.8 derivatives from a word given a certain meaning or interpretation, have a corresponding meaning or interpretation;
 - 1.2.9 any period dating from a given day or the day of an act or event, is calculated exclusive of that day; and
 - 1.2.10 a reference to a day commences at midnight Eastern Standard Time and ends 24 hours later.

2. Services

- 2.1 Subject to this Agreement, BNB hereby agrees with TBSI during the Term (as hereafter defined) as follows:
- 2.1.1 to allocate and provide to TBSI the entire storage space available at the Premises for the storage of the Products on behalf of TBSI.
 - 2.1.2 to maintain the Premises in a condition adequate for the purposes they are being used for hereunder.

- 2.1.3 to comply with the terms of the lease relating to the Premises in all material respects.
- 2.1.4 to continue to occupy the Premises.
- 2.1.5 to provide the following services to TBSI relating to the storage and handling of the Products at the Premises: (a) receiving Products on delivery at the Premises, (b) storing Products at the Premises, retrieving Products for onward delivery, (c) gift assembly, (d) quality control (TBSI shall carry out quality control in relation to Products purchased by TBSI from third parties and delivered direct to the Premises by such third parties; in relation to Products delivered by TBSI to the Premises, BNB shall carry out quality control on a limited selection of those Products from time to time to ensure their proper condition on delivery), (e) packing and delivering the Products to Consignees or their agents for their collection at the Premises, and (f) administrative services relating thereto, such as:
 - (i) holding stock counts and investigation of stock count discrepancies; and
 - (ii) investigation of quantity discrepancy claims.

The services contemplated by this Agreement do not include, and cease immediately prior to, Withdrawal of the Products, "Withdrawal" being as defined in the Open Supply Agreement of even date herewith between BNB, TBSI and The Body Shop Americas Inc.

TBSI shall determine the timing of the delivery to BNB of Products with respect to which BNB shall perform services pursuant to the terms of this Agreement, as well as the quantities, type, nature of such Products to be delivered. BNB shall have full discretion with respect to the manner in which such services are rendered and shall have final authority over the day-to-day management of the performance of the services

3. Consideration

- 3.1 In consideration for the services provided by BNB and detailed in clause 2, TBSI shall pay to BNB fees based upon the direct and indirect costs incurred by BNB in supplying those services to TBSI. The fees for all such services provided to TBSI by BNB shall be equal to one hundred ten percent (110%) of the actual cost to BNB and shall be promptly paid, upon presentation of an itemized invoice therefore by BNB, without any deduction save as required by law.
- 3.2 The amounts to be invoiced under clause 3.1 do not include any tax that may be due with respect thereto.

In the event an amount invoiced is subject to a value added tax or any other tax based on sales, the applicable territorial rules shall apply.

If the internal legislation of the country of residence of TBSI imposes a withholding tax at the source for which BNB is liable, TBSI shall provide such assistance to BNB to enable it to claim exemption from, or a reduced rate of, withholding pursuant to an applicable tax treaty that is in force. TBSI shall deduct and pay such tax as is due to the relevant tax authorities and shall furnish BNB with justification of the amount paid.

3.3 Save as expressly provided above, BNB shall be solely responsible for all costs, disbursements and expenses associated with the hire, repair, maintenance and operation of the Premises and the provision of the services referred to herein.

4. Term

4.1 This Agreement shall be deemed to have commenced on the date first above written and shall continue in force for an indefinite period of time, unless the Agreement is earlier lawfully terminated ("the Term").

5. Property

5.1 BNB shall hold all Products at the Premises as a bare trustee and bailee on behalf of TBSI and shall not attain or acquire any security interest therein. In particular, but without limitation to the foregoing:

5.1.1 at all times, all possession, ownership, title and property in the Products remains with TBSI.

5.1.2 BNB expressly waives all liens or other forms of security interest if any such interest may arise in connection with the Products.

5.1.3 BNB shall not create or permit or cause to be created any charge over the Products; and

5.1.4 BNB shall clearly mark or identify (in BNB's records) the Products as the property of TBSI, and not remove, deface, tamper with or alter any such label, sticker, marking or identification. BNB at no time shall store Products in the Premises other than the Products, without the prior consent of TBSI.

6. Access to Premises and Information

6.1 TBSI and its authorised third party representatives shall at all times during the currency of this Agreement have the right to enter the Premises to inspect, handle, store and remove its Products as it sees fit in its sole and absolute discretion.

- 6.2 BNB shall upon request of TBSI provide such reports, information and records, together with access to any computer networks or other documents relating to the Products in its possession as TBSI may from time to time require.

7. Termination

- 7.1 TBSI shall be entitled to terminate this Agreement forthwith on written notice to BNB in the event of any serious breach or non-observance of BNB's obligations hereunder, or if BNB fails to perform its services hereunder or any part thereof to TBSI's reasonable satisfaction. This Agreement shall automatically terminate in the event (a) the lease for the Premises expires and is not renewed and either (i) BNB does not secure other premises or (ii) TBSI does not approve new premises secured by BNB.
- 7.2 This Agreement may, in addition, be terminated (i) by the written agreement of both parties; or (ii) by either party giving to the other party at least 60 days' prior written notice of termination.
- 7.3 Termination of this Agreement pursuant to the above provisions shall be without prejudice to the rights and remedies of either party at law or at equity.
- 7.4 Upon the termination or expiration of this Agreement, whether in accordance with this Agreement or otherwise:
- (a) BNB shall return all Products and other articles belonging to TBSI as may be directed in writing by TBSI at TBSI's expense;
 - (b) immediately deliver up to TBSI all books and records relating to the Products; and
 - (c) each party shall continue to perform and observe those of its covenants and obligations which survive termination or contemplate or are capable of operation after termination, and accordingly, all such provisions shall continue in full force and effect after termination or expiration of this Agreement.

8. No Partnership of Agency

It is agreed that BNB is entering into this Agreement as an independent contractor. Nothing in this Agreement shall constitute a partnership between TBSI and BNB. BNB shall not be an agent or employee of TBSI and neither shall it have the authority or power to bind TBSI or to contract in the name of or create liability against TBSI in any way and for any purpose.

9. Notices

Any notice or other communication to be given under this Agreement shall be in writing and shall be deemed to have been duly served on, given to or made if it is delivered by hand or

sent by recorded delivery, post or facsimile copy to the other party at the address stated in this Agreement or such other address as may be notified for this purpose from time to time.

10. Applicable Law

This Agreement shall be governed by, construed and take effect in accordance with North Carolina law. The courts of North Carolina shall have non-exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise out of or in connection with this Agreement (including without limitation claims for set-off or counterclaim) or the legal relationships established by this Agreement.

AS WITNESS the hands of the duly authorised representatives of the parties on December 21, 2007.

Signed by)
Peter Saunders, Director and CEO)
for and behalf of)
THE BODY SHOP INTERNATIONAL PLC)

Signed by)
Kimberly Mattoon)
Director and VP Finance)
for and on behalf of)
BUTH-NA-BODHAIGE INC)

REAL ESTATE LICENSE AGREEMENT

This REAL ESTATE LICENSE AGREEMENT (this "**License Agreement**"), made to be effective as of April 1, 2024, is between Kenneth P. Silverman, Esq., the chapter 7 trustee (the "**Chap 7 Trustee**") for the bankruptcy estate of Buth-Na-Bodhaige, Inc. d/b/a The Body Shop, a Delaware corporation (the "**Debtor**" or "**Licensor**"), having an address of 100 Jericho Quadrangle, Suite 300, Jericho, NY 11753, The Body Shop Canada Limited, a corporation governed by the federal laws of Canada, having an office at 510-1 Yorkdale Avenue, Toronto, Ontario M6A 3A1 ("**Licensee**"), and consented to by Alvarez & Marsal Canada Inc., having an office at 200 Bay Street, Toronto, Ontario M5J 2J1, solely in its capacity as Proposal Trustee of Licensee, and not in its personal or corporate capacity (the "**Proposal Trustee**").

WHEREAS, on the 1st day of March, 2024, Licensee filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3 and the Proposal Trustee was appointed;

WHEREAS, on the 8th day of March, 2024, the Debtor filed a voluntary petition for relief under chapter 7 of the Title 11 of the United States Code, 11 U.S. C. §101 *et seq.*, in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**");

WHEREAS, Licensor is the fee owner of the real property located at 5036 One World Way, Wake Forest, North Carolina 27587 (the "**Property**");

WHEREAS, the parties desire by this License Agreement to provide for the licensing by Licensor to Licensee of the right to use and occupy a portion of the Property, consisting of a building containing approximately 145,000 square feet of warehouse space, as more particularly identified on Exhibit A attached hereto and made a part hereof (the "**Licensed Area**"); and

WHEREAS, the Proposal Trustee consents to Licensee's entry into this License Agreement and performance of its obligations hereunder.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. License. Licensor hereby grants to Licensee, and Licensee hereby accepts, a revocable, non-exclusive access license (the "**License**") to use and occupy the Licensed Area solely and exclusively for the purposes hereafter provided for the License Period (as defined in Section 2). Licensee and its employees, agents, contractors, temporary workers, and invitees are, except as otherwise specifically provided in this License Agreement, authorized to use parking areas (collectively, the "**Common Areas**"), subject to the Property's rules and regulations. The parties do not intend to create a lease or any other interest in real property for Licensee through this License Agreement, and the parties only intend to create a license that is revocable at will by either Licensor or Licensee as provided herein.

Without additional charge, during the License Period, Licensee shall have the right to use Licensor's furniture, fixtures, and furnishings that may be located in the Licensed Area on the Commencement Date (as defined in Section 2) ("**Licensor's Personal Property**"), to be returned to Licensor on the Expiration Date (as defined in Section 2) or earlier termination of the License Period pursuant to the terms and conditions of this License Agreement. Throughout the License Period, Licensee shall take good care of the Licensed Area and Licensor's Personal Property.

Licensee has inspected the Licensed Area and agrees to accept the Licensed Area and Licensor's Personal Property "AS-IS", "WHERE-IS" and "WITH ALL FAULTS" on the date hereof. THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT, THE LICENSED AREA, LICENSOR'S PERSONAL PROPERTY, OR THE PROPERTY OR

THE REAL PROPERTY OR PROPERTY INTERESTS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The Proposal Trustee hereby irrevocably consents to Licensee's entry into this Licensing Agreement and performance of its obligations hereunder.

2. License Period. The License shall commence as of April 1, 2024 (the "**Commencement Date**"), and subject to sooner termination or extension as hereafter provided, shall expire on June 30, 2024 (the "**Expiration Date**"). The period between the Commencement Date and the Expiration Date, as it may be extended or sooner terminated as provided below, shall be referred to as the "**License Period**".

(a) Extension. Notwithstanding the foregoing, Licensee shall have three (3) options to extend the Expiration Date for a period of thirty (30) days, which Licensee may exercise by delivering written notice to Licensor of its intention to exercise such option no less than five (5) Business Days prior to the Expiration Date (as it may be extended).

(b) Termination. This License Agreement may only be terminated prior to June 30, 2024 by agreement in writing between Licensor and Licensee. Notwithstanding the foregoing, this License Agreement shall be revocable by either party at any time after June 30, 2024 (such termination of this License Agreement, a "**Termination Event**"); provided that the terminating party delivers to the non-terminating party five (5) Business Days' prior written notice of its election to terminate (a "**Termination Notice**"). The Termination Notice shall state the date of termination, which shall be no less than five Business' Days after delivery of the Termination Notice (the "**Termination Date**") and shall be sent in accordance with the notice requirements of this License Agreement. On or before the Termination Date, Licensee shall deliver the Licensed Area in accordance with the provisions of Section 18 of this License Agreement.

3. License Fee.

(a) Licensee shall pay Licensor a license fee (the "**License Fee**") for the Licensed Area in the amount of One Hundred Thousand and 00/100 United States Dollars (US\$100,000.00) per month throughout the License Period.

(b) Upon the execution of this Agreement, Licensee shall pay to Licensor an amount equal to Two Hundred Thousand and 00/100 United States Dollars (US\$200,000.00) which satisfies the License Fee for the months of April 2024 and May 2024 (the "**Initial Fee**"), provided, however, the Initial Fee shall be reduced by Seventy-Nine Thousand United States Dollars (US\$ 79,000) as a credit for prior amounts expended by Licensee on behalf of Licensor.

(c) Beginning on June 1, 2024, the License Fee shall be payable by Licensee to Licensor in advance each calendar month during the License Period, by no later than the first (1st) day of each month, and shall be made payable to Licensor in United States dollars and delivered to Licensor by wire transfer pursuant to the wire instructions annexed hereto as Exhibit B at the address specified herein or such other address as Licensor may designate by written notice from time to time.

(d) If there is a Termination Event, and the Termination Date is not the last day of the month, the License Fee for such month shall be prorated, and Licensee shall receive a refund of the excess amount paid within five (5) Business Days after the Termination Date.

4. Security Deposit. Licensee shall pay Licensor a refundable security deposit fee in the amount of Fifty Thousand and 00/100 United States Dollars (US\$50,000.00) ("**Security Deposit**") upon the execution of

this License Agreement. Licensors shall refund the Security Deposit within five (5) Business Days after the expiration or earlier termination of this License; provided, however, in the event Licensee does not deliver the Licensed Area in the condition required by this License Agreement, all or a portion of the Security Deposit may be retained by Licensors and applied to restore the Licensed Area to the condition required by Section 18 of this License Agreement.

5. Operating Expenses. Licensors shall provide basic utilities to the Licensed Area during the Licensed Period and promptly pay for all Operating Costs (as defined below) directly to the relevant payee unless otherwise instructed in writing by Licensee. If payment on any Operating Costs shall not be made on or prior to the relevant due date, Licensors shall promptly pay for any late charges, penalties and interest associated with such late payment. Licensee shall use reasonable diligence to promptly forward to Licensors all bills, invoices, statements, notices, mail correspondence, or any other communications received by Licensee relating to the Licensed Area or the Property.

As used herein, “**Operating Costs**” shall mean all costs and expenses relating to the ownership, operation, maintenance and management of the Property including, but not limited to, the following:

- (a) operation, repair and maintenance, (including replacement as needed), in neat, clean, good order and condition, of the Property;
- (b) the cost of water, gas, electricity, telephone, sewer and any other utilities serving the Property;
- (c) any form of real estate tax or assessment, general, special, ordinary or extraordinary; any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal net income or estate taxes) imposed upon the Property by any authority having the direct or indirect power to tax, including any city, state or federal government; any school, agricultural, sanitary, fire, street, drainage, transit or traffic mitigation (including area-wide traffic improvement assessments and transportation system management fees), or other improvement district thereof, levied against any legal or equitable interest of Licensors in the Property or any portion thereof (collectively, “**Real Estate Taxes**”);
- (d) the cost of the premiums for the insurance policies maintained by Licensors for the Property; and
- (e) any deductible portion of an insured loss concerning the Property.

6. Use. The Licensed Area shall be used for storage, picking, packing, and delivery of merchandise and for no other purpose except as may be agreed upon by Licensors in writing in its sole and absolute discretion.

7. Compliance with Laws and Regulations.

- (a) Licensee shall promptly comply with all present and future:
 - (i) rules and regulations published by Licensors (if any) including, without limitation, regulations applicable to use, storage, and disposal of hazardous substances and waste and other environmental matters, security policies and procedures, which have been published from time to time with respect to the use of and access to the Licensed Area, provided Licensee has received a copy of them; and
 - (ii) applicable laws and regulations of all state, federal, municipal, and local governments, departments, commissions and boards and any direction of any public officer

pursuant to law (collectively, "**Laws**") having jurisdiction which shall impose any obligation or duty upon Licensor or Licensee with respect to the Licensed Area; except that: (A) such compliance by Licensee shall relate only to Licensee's use and manner of use of the Licensed Area; and (B) Licensee's financial obligations for the Licensed Area shall not exceed the License Fee paid by Licensee for one month of the License Period. In addition, Licensee agrees to cooperate with Licensor and do all things reasonably necessary for Licensor to comply with Laws.

(b) To the extent Licensee is not required to comply with any Laws pursuant to subparagraph (a) above, Licensor shall comply with such Laws applicable to the Licensed Area.

8. Access. Licensee, its employees, contractors, temporary workers, and agents shall have the right of access to the Licensed Area and Common Areas twenty-four (24) hours per day, seven (7) days per week; provided, however, Licensor, its employees, contractors, and agents shall also at all times have access to the Licensed Area, no consent of Licensee being required for any such access at any time.

9. Repairs. Throughout the License Period, Licensee shall take good care of the Licensed Area and the furniture, furnishings, fixtures, and appurtenances therein. Licensee shall also be responsible for the cost to repair any damage to the Licensed Area other than damage from the elements, fire, or other casualty to the Property, or from the gross negligence or intentional misconduct of Licensor, or its agents, contractors, temporary workers or employees. The repair obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement.

10. Damage and Destruction.

(a) Neither Licensor nor Licensee shall have any responsibility to the other or their respective agents, contractors, temporary workers, tenants, or other invitees in the event of any damage to or theft or loss of any equipment or property of the other party and the party incurring such damage, theft, or loss shall look to its own insurance coverage (and to any self-insured portion of the damage, theft, or loss), if any, for recovery in the event of any such damage, theft, or loss.

(b) If all, or a portion, of the Licensed Area is destroyed or damaged by fire or other casualty, Licensor shall, subject to the following provisions of this Section, promptly proceed after adjustment of the insurance loss (if any) to repair such damage and restore the Licensed Area (but not Licensee's installed property and equipment therein) to the condition existing prior to such damage. The License Fee applicable to such damaged Licensed Area shall abate (entirely if all of the Licensed Area is damaged and rendered unusable and proportionately if only a portion of the Licensed Area is damaged and rendered unusable) from the date of the casualty to the date when Licensor shall have so repaired and restored the Licensed Area (or damaged portion thereof). If the time required to complete the repairs is estimated by a contractor, retained by Licensor, exceeds sixty (60) days, either Licensor or Licensee may terminate this License Agreement by notice to the other within five (5) Business Days after receipt of the estimate.

11. Insurance.

(a) Licensee shall, at its own cost and expense, maintain and keep in force at all times during the License Period:

(i) commercial general liability, property and casualty insurance, which shall include coverage against claims for personal injury, death, or property damage occurring on, in, or about the Licensed Area with limits of not less than US Seven Million Dollars

(US\$7,000,000.00) with respect to the Licensed Area, Licensors' Personal Property, and Licensee's conduct of business therein; Licensors shall be named as an additional insured; and

(ii) employers' liability and workers' compensation insurance to the extent required by the Laws of North Carolina.

(b) Notwithstanding anything to the contrary set forth in this License Agreement, Licensors and Licensee hereby release one another and their respective partners, officers, employees, and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

12. Mutual Indemnification. Each of Licensors and Licensee (an (or the) "**Indemnifying Party**") shall indemnify, defend, save, and hold harmless the other Indemnifying Party, and its officers, directors, members, partners, employees, agents, contractors, temporary workers, affiliates, successors, and permitted assigns (collectively, the "**Indemnified Parties**") against all claims made or judicial or administrative actions filed which allege that any of the Indemnified Parties is liable to the claimant by reason of:

(a) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of the Licensed Area if caused by any negligent or wrongful act or omission of the Indemnifying Party or its agents, partners, contractors, temporary workers, employees, permitted assigns, licensees, sublessees, invitees, or any other person or entity for whose conduct the Indemnifying Party is legally responsible;

(b) violation by the Indemnifying Party of any contract or agreement to which the Indemnifying Party is a party in each case affecting any part of the Licensed Area or the occupancy or use thereof by the Indemnifying Party; and

(c) violation of or failure to observe or perform any condition, provision, or obligation of or under this License Agreement on the Indemnifying Party's part to be observed or performed hereunder. The indemnity obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement.

13. Assignment or Sublicensing. The license granted hereby is personal to Licensee and shall not be assigned, nor shall Licensee sublicense or otherwise permit or suffer the occupancy of the Licensed Area by any third party without the prior written consent of Licensors, which consent may be withheld in Licensors' sole and absolute discretion.

14. Alteration; Restoration. Licensee may not make any alterations, installations, additions, or improvements in or to the Licensed Area without the prior written consent of Licensors, which consent may be withheld or conditioned in Licensors' sole and absolute discretion. Any signage to be used by Licensee with respect to the Licensed Area must be approved in writing by Licensors, which approval may be withheld or conditioned in Licensors' sole and absolute discretion. If Licensors' consent is given, Licensors shall simultaneously notify Licensee if any alteration must be removed and the affected Licensed Area restored, at Licensee's sole cost and expense, before the Expiration Date or sooner termination of the License Period. In the absence of any such notice, any permitted alteration must be removed, and the affected Licensed Area restored, at Licensee's sole cost and expense, when this License Agreement terminates.

15. Default. If either party defaults in the performance of any of its obligations hereunder, and such default continues for more than five (5) Business Days after receipt of written notice from the non-defaulting party, the non-defaulting party shall have the right to terminate this License Agreement and pursue any other remedies available at law or in equity, except as limited in Section 14 hereof.

16. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LICENSE AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, PUNITIVE, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES WHATSOEVER, INCLUDING LOSS OF GOODWILL OR LOSS OF PROFITS.

Licensor and Licensee agree that none of their respective directors, officers, employees, shareholders, contractors, temporary workers, or any of their (or any of those parties') respective agents shall have any personal obligation hereunder and that Licensor and Licensee shall not seek to assert any claim or enforce any of their rights hereunder against any of such parties.

17. Notices.

(a) Any notice, demand, request, or other communication hereunder shall be in writing. Communications may be delivered and shall be deemed to have been given by the delivering party and received by the receiving party: (i) when delivered by hand; (ii) one day after deposit with a nationally recognized overnight courier or delivery service if sent priority overnight delivery; or (iii) on the date sent with confirmation of transmission by electronic mail, if such contact information has been given to the other party, if sent during normal business hours of the recipient, and if also transmitted by one of the other means permitted hereunder.

(b) Any notice, demand, request, or communication by Licensor to Licensee shall be addressed to Licensee at its address stated in the preamble hereto, Attention: Jordan Searle and by email to jordan.searle@thebodyshop.com, unless otherwise directed in writing by Licensee by notice similarly given. A copy of any notices to Licensee shall be sent simultaneously to Licensee's counsel: Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, ON M5V 3J7, Canada, Attention: Natasha MacParland, and by email to NMacParland@dwpv.com; and to the Proposal Trustee: Alvarez & Marsal Canada Inc., Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1, Attention: Joshua Nevsky and by email to jnevsky@alvarezandmarsal.com; and to the Proposal Trustee's counsel: Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4, Attention: Jane Dietrich and by email to jdietrich@cassels.com, until otherwise directed in writing by Licensee by notice similarly given.

(c) Any notice, demand, request, or communication by Licensee to Licensor shall be addressed to Licensor at its address stated in the preamble hereto, Attention: Kenneth P. Silverman, Chap 7 Trustee, unless otherwise directed in writing by Licensor by notice similarly given. A copy of any notices to Licensor shall be sent simultaneously to Licensor's attorney: Rimont PC, 100 Jericho Quadrangle Suite 300, Jericho, NY 11753, Attention: Brian Powers, Tel: 516-479-6357, until otherwise directed in writing by Licensor by notice similarly given.

(d) Rejection or other refusal to accept, or the inability to deliver because of a changed address of which no notice was given, shall be deemed to be receipt of the notice, demand, request, or communication sent.

18. Surrender. On or before the Expiration Date or sooner termination of the License Period for the Licensed Area, Licensee shall: (a) vacate and surrender full and complete possession of the Licensed Area to Licensor, vacant and broom clean, in its "as-is" condition and state of repair, subject only to: (i) Section 12 hereof;

(ii) reasonable wear and tear; (iii) damage by the elements, fire, or other casualty (unless such damage is caused by the negligence or wrongful act of Licensee, its employees or agents); and (iv) damage caused by the negligence or wrongful act of Licensor; (b) remove all furniture, electronic equipment, computers, and other personal property and furnishings from the Licensed Area which are owned or leased by Licensee; and (c) leave in place all of Licensor's Personal Property in its substantially similar condition as on the Commencement Date (reasonable wear and tear excepted). Licensee shall only be required to restore, alter, or improve the Licensed Area as specifically set forth in this License Agreement. The surrender obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement. For greater certainty, Licensee has no obligation to remove or pay for the removal of any merchandise inventory that remains in the Licensed Area at the end of the License Period.

19. Subordination. This License Agreement and the license granted herein are subject and subordinate to all ground and underlying leases affecting the Property or the real property, and to all mortgages which may now or hereafter affect such leases, the Property, or the real property.

20. Warranties. EXCEPT AS SET FORTH IN THIS LICENSE AGREEMENT, THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT, THE LICENSED AREA, OR THE REAL OR PERSONAL PROPERTY OR PROPERTY INTERESTS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

21. Force Majeure.

(a) **"Force Majeure Event"** means any of the following events: (i) acts of God; (ii) floods, fires, earthquakes, explosions, or other natural disasters; (iii) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (iv) governmental authority, proclamations, orders, laws, actions, or requests; (v) embargoes or blockades in effect on or after the date of this License Agreement; (vi) epidemics, pandemics, or other national or regional public health emergencies; (vii) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (ix) other similar events beyond the reasonable control of the parties.

(b) Neither party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this License Agreement, for any failure or delay in fulfilling or performing any obligation under this License Agreement (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by a Force Majeure Event. The failure or inability of either party to perform its obligations in this License Agreement due to a Force Majeure Event shall be excused for the duration of the Force Majeure Event and extended for a period equivalent to the period of such delay, but not in excess of 30 days in the aggregate. Nothing contained in this Section shall excuse either party from paying in a timely fashion any payments due under the terms of this License Agreement or extend the term of this License Agreement.

(c) Either party (the **"Noticing Party"**) shall give the other party notice within two (2) days of the commencement of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. The Noticing Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Noticing Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the failure or delay remains uncured for a period of ten (10) consecutive days following written notice given by the Noticing Party under this Section, either party may thereafter terminate this License Agreement upon five (5) Business Days' written notice.

22. Miscellaneous.

(a) **Consent and Acknowledgement.** Without prejudice to the Proposal Trustee's irrevocable consent to Licensee's entry into and performance of its obligations under this License Agreement, Licensors and Licensee acknowledge and agree that the Proposal Trustee has no obligations or liability pursuant to this License Agreement of any kind.

(b) **Counterparts.** This License Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(c) **Governing Law/Jurisdiction.** This License Agreement shall be governed by and construed in accordance with the laws of the state where the Licensed Area is located. The parties expressly consent to the exclusive jurisdiction of the Bankruptcy Court with respect to any and all disputes arising out of or in connection with this License Agreement, without regard to choice of law.

(d) **Business Day.** As used herein, "**Business Day(s)**" shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays in Toronto, Canada, or by the State of North Carolina, or the United States federal government.

(e) **Section Headings.** The section titles herein are for convenience only and do not define, limit, or construe the contents of such sections.

(f) **Attachment and Exhibits.** All attachments and exhibits to this License Agreement are hereby made a part hereof as if fully set out herein.

(g) **Severability.** If any provision or provisions in this License Agreement is/are found to be in violation of any law or otherwise unenforceable, all other provisions remain unaffected in full force and effect.

(h) **Binding Effect.** This License Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and shall not be modified except by an express written agreement signed by a duly authorized representative of both parties.

23. Bankruptcy Court Approval. This License Agreement is subject to the approval of the Bankruptcy Court. In the event the Bankruptcy Court fails to approve this License Agreement in its entirety, this License Agreement shall be null and void, and will have no further force and effect, and nothing contained herein shall be deemed an admission or waiver of the rights of any Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this License Agreement to be effective as of the date first above written.

LICENSOR:

BUTH-na-BODHIAGE, INC., a Delaware corporation, d/b/a The Body Shop

By: _____

Name: _____

Title: _____

LICENSEE:

THE BODY SHOP CANADA LIMITED, a corporation governed by the federal laws of Canada

By: _____

Name: Jordan Searle

Title: President

And consented to by

PROPOSAL TRUSTEE:

ALVAREZ & MARSAL CANADA INC., solely in its capacity as Proposal Trustee of The Body Shop Canada Limited, and not in its personal or corporate capacity

Josh Nevsky

Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have duly executed this License Agreement to be effective as of the date first above written.

LICENSOR:

BUTH-na-BODHIAGE, INC., a Delaware corporation, d/b/a The Body Shop

By:

Name:

Title:

Kenneth Silverman
Chapter 7 Trustee

LICENSEE:

THE BODY SHOP CANADA LIMITED, a corporation governed by the federal laws of Canada

By: _____

Name: _____

Title: _____

And consented to by

PROPOSAL TRUSTEE:

ALVAREZ & MARSAL CANADA INC., solely in its capacity as Proposal Trustee of The Body Shop Canada Limited, and not in its personal or corporate capacity

By: _____

Name: _____

Title: _____

EXHIBIT A LICENSED AREA

The approximately 145,000 square foot building located at 5036 One World Way, Wake Forest, NC and highlighted below.

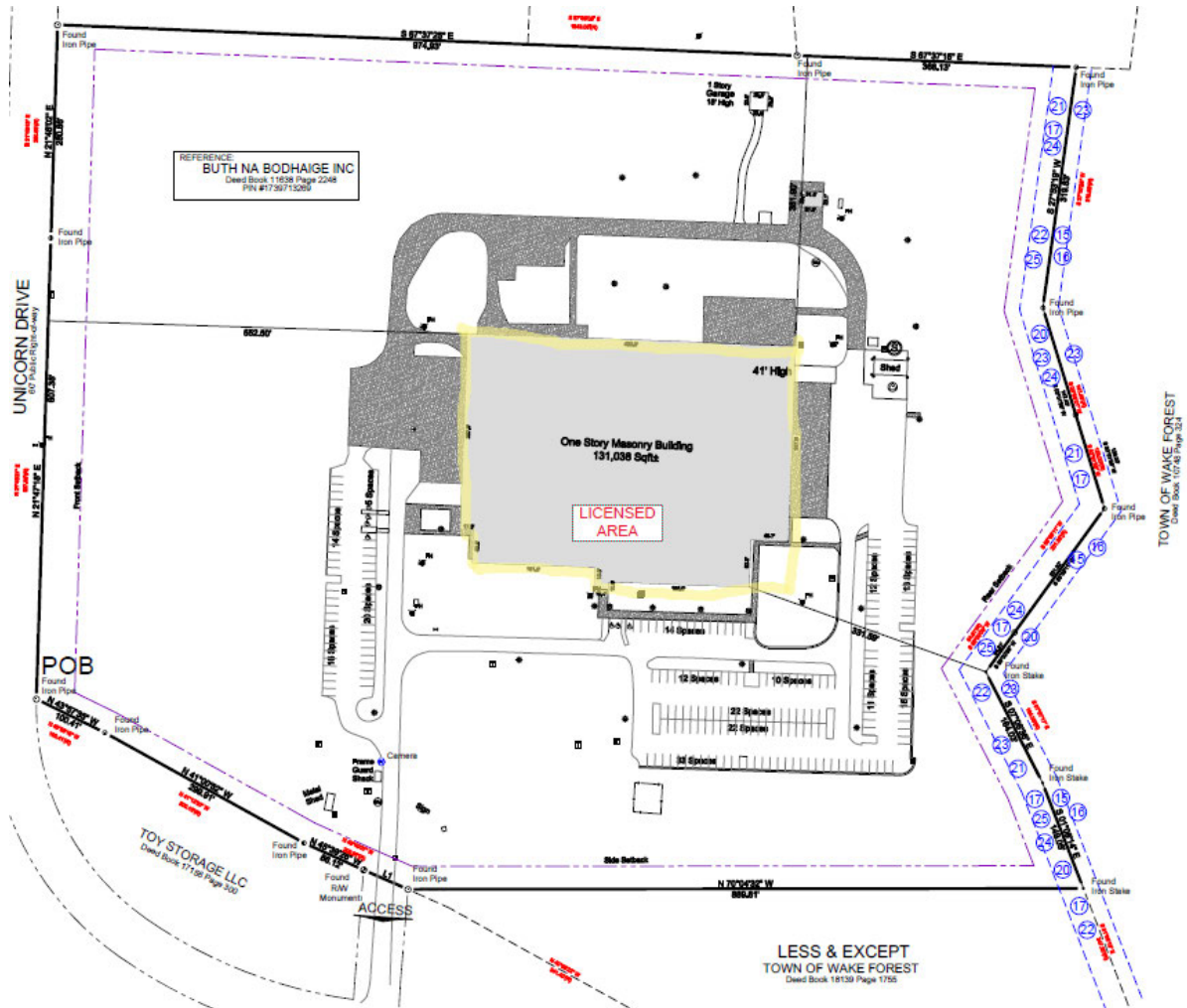


EXHIBIT B

WIRE INSTRUCTIONS

TAB 3 - Draft Order

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

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

THE HONOURABLE
JUSTICE OSBORNE

)
)
)

FRIDAY, THE 4TH
DAY OF OCTOBER, 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**”)

**ORDER
(Stay Extension and Critical Supplier Charge)**

THIS MOTION, made by the Applicant, for an order (a) extending the Stay Period defined in paragraph 16 of the initial order of the Honourable Mr. Justice Osborne dated July 5, 2024 (the “**Initial Order**”) until December 13, 2024, (b) declaring The Body Shop International Limited (the “**UK Purchaser**”) a critical supplier, and (c) granting the UK Purchaser a charge over certain inventory of the Applicant, was heard this day by videoconference.

ON READING the affidavit of Jordan Searle sworn September 25, 2024 and the Exhibits thereto (the “**Searle Affidavit**”), and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on

reading the First Report of Alvarez & Marsal Canada Inc., in its capacity as Court-appointed monitor (the “**Monitor**”) filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor and those parties listed in the participant information form,

SERVICE AND DEFINITIONS

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.

2. **THIS COURT ORDERS** that all capitalized terms used but not defined herein shall have the meaning given to them in the Searle Affidavit.

EXTENSION OF STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including December 13, 2024, or such later date as this Court may order.

CRITICAL SUPPLIER

4. **THIS COURT ORDERS** that the UK Purchaser is hereby declared to be a critical supplier to the Applicant in accordance with Section 11.4 of the *Companies’ Creditors Arrangement Act* R.S.C. 1985 c C-36.

5. **THIS COURT ORDERS** that the UK Purchaser shall, in addition to any other obligations it has under the Initial Order, supply and continue to supply the Applicant with the Remaining Inventory.

CRITICAL SUPPLIER CHARGE

6. **THIS COURT ORDERS** that the UK Purchaser shall be entitled to the benefit of and is hereby granted a charge on the Remaining Inventory, which charge shall not exceed the aggregate amount of \$1,500,000 (the “**Critical Supplier Charge**”), to secure any amounts owing by the Applicant to the UK Purchaser for the Remaining Inventory.

7. **THIS COURT ORDERS** that the filing, registration or perfection of the Critical Supplier Charge shall not be required, and that the Critical Supplier Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Critical Supplier Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

VALIDITY AND PRIORITY OF CHARGES

8. **THIS COURT ORDERS** that the priorities of the Administration Charge, D&O Charge, KERP Charge (each as defined in the Initial Order) and the Critical Supplier Charge (collectively, the “**Charges**”), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$700,000);
- (b) Second – D&O Charge (to the maximum amount of \$2,100,000);
- (c) Third – KERP Charge (to the maximum amount of \$315,000); and
- (d) Fourth – Critical Supplier Charge (to the maximum amount of \$1,500,000 and only on the Remaining Inventory).

9. **THIS COURT ORDERS** that the Administration Charge, D&O Charge and KERP Charge shall constitute a charge on the Property (as defined in the Initial Order and for the avoidance of doubt, inclusive of the Remaining Inventory) and the Critical Supplier Charge shall constitute a charge only on the Remaining Inventory, and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person (as defined in the Initial Order), notwithstanding the order of perfection or attachment, provided that the Charges shall rank subordinate to the Encumbrances evidenced by registrations listed on Schedule A to the Initial Order.

10. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, in the Initial Order, or as may be approved by this Court on notice to parties in interest, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or by further Order of this Court.

11. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of

creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Critical Supplier Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) the UK Purchaser shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Critical Supplier Charge; and
- (c) the granting of the Critical Supplier Charge, does not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

GENERAL

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

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 any Order subsequently made in this proceeding, and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order and any Order subsequently made in this proceeding. 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 and any Order subsequently made in this proceeding, 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 and any Order subsequently made in this proceeding.

14. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

(Signature of Judge)

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

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

Natasha MacParland (LSO# 42383G)
Email: nmacParland@dwpv.com
Tel: 416.863.5567

Lawyers for the Applicant,
The Body Shop Canada Limited

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
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

DAVIES WARD PHILLIPS & VINEBERG LLP
155 Wellington Street West
Toronto ON M5V 3J7

Natasha MacParland (LSO# 42383G)
Email: nmacParland@dwpv.com
Tel: 416.863.5567

Natalie Renner (LSO# 55954A)
Email: nrenner@dwpv.com
Tel: 416.367.7489

Lawyers for The Body Shop Canada Limited