



Court File No. CV-23-711401-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) WEDNESDAY, THE 17<sup>TH</sup> DAY  
JUSTICE W.D. BLACK ) OF APRIL, 2024

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the "**Applicants**")

**ANCILLARY RELIEF ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by videoconference.

**ON READING** the Motion Record and Supplementary Motion Records of the Applicants, including the affidavits of Jan Sahai sworn April 3, April 9 and April 12, 2024 (together with the Affidavit of Jan Sahai sworn December 14, 2023, the "**Sahai Affidavits**"), the Third and Fourth Reports of KSV Restructuring Inc. ("**KSV**"), in its capacity as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), dated April 9 (the "**Third Report**") and April 15, 2024 (the "**Fourth Report**"), respectively, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. ("**Deerfield**"), counsel for Royal Bank of Canada ("**RBC**"), and counsel for Export Development Canada ("**EDC**"), and such other counsel as were present, no one else appearing although duly served.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein 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: (i) capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Sahai Affidavits; and (ii) all references to Applicants herein shall be deemed to include reference to 1000834899 Ontario Inc. (“**ResidualCo**”) for the period from and after the Effective Time (as such term is defined in the Approval and Reverse Vesting Order made in these proceedings of even date herewith and issued in connection with the Share Purchase Agreement dated March 30, 2024 (as amended and as may be further amended, the “**Agreement**”) between Contract Pharmaceuticals Limited (“**CPL**”), as seller, and AIP Elixir Buyer Inc., as buyer (the transaction contemplated thereby being, the “**Transaction**”).

## **EXTENSION OF THE STAY PERIOD**

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Amended and Restated Initial Order of this Court dated December 22, 2023 (the “**ARIO**”)) be and is hereby extended to and including June 17, 2024.

## **WAGE EARNER PROTECTION PROGRAM ACT**

4. **THIS COURT ORDERS AND DECLARES** that ResidualCo shall be deemed to be the former employer of any former employees of the Applicants who were (or are) terminated between June 15, 2023, and the Effective Time, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) shall be solely for the purposes of termination pay

and severance pay pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, and not for any other purpose.

## **MONITOR'S ENHANCED POWERS**

5. **THIS COURT ORDERS AND DECLARES** that upon the Effective Time, in addition to the powers and duties of the Monitor set out in the ARIO, the Approval and Reverse Vesting Order, any other Order of this Court granted in these CCAA proceedings, the CCAA and applicable law, and without altering in any way the obligations of CPL, Glasshouse Pharmaceuticals LLC and ResidualCo (collectively, the “**Remaining Applicants**”) in these CCAA proceedings, the Monitor be and is hereby authorized and empowered, but not required, to exercise any powers which may be properly exercised by the board of directors of each of the Remaining Applicants, including, without limitation, to:

- (a) cause the Remaining Applicants to take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Remaining Applicants, in order to facilitate the performance of any of their powers or obligations, including, without limitation, as contemplated by the Agreement and the Transaction (or as otherwise may be considered necessary or desirable in connection therewith) or any Order of this Court;
- (b) cause the Remaining Applicants to exercise any rights of the Remaining Applicants under or in connection with the Agreement or any agreement or other document related thereto;
- (c) cause any of the Remaining Applicants to retain the services of any person as an employee, consultant or other similar capacity, including, without limitation, a

wind-down officer, all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

- (d) cause the Remaining Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of the Remaining Applicants, the distribution of the proceeds of their property, or any other related activities;
- (e) open one or more new accounts (the “**Remaining Applicants Accounts**”) into which all funds, monies, cheques, instruments and other forms of payment payable to the Remaining Applicants shall be deposited to and after the making of this Order from any source whatsoever and to operate and control as applicable, on behalf of the Remaining Applicants, the Remaining Applicants Accounts in such a manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor’s powers and duties;
- (f) conduct, supervise and direct the continuation or commencement of any process or effort to recover any property or other assets of the Remaining Applicants (including any accounts receivable or cash);
- (g) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Remaining Applicants (including any governmental authority) in the name of or on behalf of the Remaining Applicants;
- (h) claim or cause the Remaining Applicants to claim any and all insurance refunds or tax refunds to which the Remaining Applicants are entitled;

- (i) have access to all books and records that are the property of or in the possession or control of the Remaining Applicants;
- (j) facilitate or assist the Remaining Applicants with accounting, tax and financial reporting functions, including the preparation of cash flow forecasts, employee-related remittances, T4 statements and records of employment, in each case based solely upon the information provided to the Monitor and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such reporting, remittances, statements and records;
- (k) exercise any shareholder rights of the Remaining Applicants for the period after the Effective Time;
- (l) assign any of the Remaining Applicants, or cause any of the Remaining Applicants to be assigned, into bankruptcy, and KSV shall hereby be entitled but not obligated to act as a trustee of ResidualCo in any bankruptcy thereof;
- (m) cause the dissolution or winding-up of the Remaining Applicants;
- (n) act as an authorized representative of the Remaining Applicants in respect of dealings with the Canada Revenue Agency (the “CRA”) or any other taxation authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Remaining Applicants that the CRA or any other taxation authority may require in order to confirm the Monitor’s appointment as an authorized representative for such purposes;
- (o) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other Order

granted by this Court, including for advice and directions with respect to any matter; and

- (p) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

6. **THIS COURT ORDERS** that, upon the Effective Time, the banks and/or financial institutions which maintain the Cash Management System of each of the Remaining Applicants (which includes, for the avoidance of doubt, each of the Remaining Applicants' bank accounts) are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Remaining Applicants in connection with such Cash Management System and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for, or on behalf of and in the name of the Remaining Applicants, and shall be empowered and permitted to add and remove persons having signing authority with respect to the Cash Management System of the Remaining Applicants. The financial institutions maintaining such Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Remaining Applicants, and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person. The Monitor shall assist the Company and the Remaining Applicants in the disengagement of the Remaining Applicants from the Cash Management System.

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

8. **THIS COURT ORDERS** that, without limiting the provisions of the ARIO, the Remaining Applicants shall remain in possession and control of their respective Property and the Monitor shall not take, or be deemed to have taken, possession or control of such Property, or any part thereof.

9. **THIS COURT ORDERS** that the Monitor shall not be liable for any employee-related liabilities of the Remaining Applicants, if any, other than amounts the Monitor may specifically agree in writing to pay. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities of the Remaining Applicants, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

10. **THIS COURT ORDERS** that: (i) in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the ARIO and any other Order of this Court, and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order and exercising any powers granted to it hereunder; and (ii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

11. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of

the creditors or legal representative of the Remaining Applicants within the meaning of any relevant legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

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

#### **DISTRIBUTIONS**

13. **THIS COURT ORDERS** that, upon the Effective Time, the Applicants and the Monitor are hereby authorized, without further order of this Court, to forthwith following the Effective Time make distributions from the net proceeds resulting from the closing of the Transaction to:

- (a) RBC of the full amount of the obligations outstanding under the RBC Loan Agreement, to the account or accounts specified by RBC in writing prior to the Effective Time;
- (b) EDC of the full amount of the obligations outstanding under the EDC Loan Agreement, to the account or accounts specified by EDC in writing prior to the Effective Time;
- (c) Deerfield of the full amount of the obligations outstanding under the DIP Term Sheet (including, for greater certainty, amounts drawn to pay the KERP and the Transaction Fee) (the “**DIP Distribution**”), to the account or accounts specified by Deerfield in writing prior to the Effective Time; and



- (d) Deerfield of the full amount of the obligations under the Deerfield Facility Agreement, minus US\$8,000,000, to the account or accounts specified by Deerfield in writing prior to the Effective Time.

14. **THIS COURT ORDERS** that the Applicants and the Monitor shall be entitled to deduct and withhold from any such distribution to RBC, EDC or Deerfield such amounts as may be required to be deducted or withheld under any applicable law, and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

15. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to cause the Applicants to make the distributions contemplated hereby and take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

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

- (a) the pendency of these CCAA proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985 c. B-3, as amended (the “**BIA**”), the United States Bankruptcy Code, or any other applicable legislation in respect of any of the Applicants or their respective Property and any bankruptcy or receivership order issued pursuant to any such application; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants,

any distributions made pursuant to this Order are final and irreversible and shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants, or their respective Property, and shall not be void or voidable by creditors of any of the Applicants, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the CCAA, the BIA or any other applicable federal or provincial law or the United States Bankruptcy Code, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to any of the Applicants or their respective Property.

17. **THIS COURT ORDERS** that the Monitor shall not incur any liability in connection with the distributions contemplated herein, whether in its personal capacity or in its capacity as the Monitor, except for wilful misconduct or gross negligence.

18. **THIS COURT ORDERS AND DECLARES** that the distributions contemplated herein shall not constitute a “distribution” by the Monitor and the Monitor shall not constitute a “legal representative”, “representative” or a “responsible representative” of any of the Applicants or “other person” for the purposes of Section 159 of the *Income Tax Act* (Canada), section 117 of the *Taxation Act, 2007* (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the “**Statutes**”), and the Monitor, in causing or assisting the Applicants to make any distribution in accordance with this Order is not “distributing”, nor shall it be considered to have “distributed”, such funds for the purposes of the Statutes, and the Monitor

shall not incur any liability under the Statutes for causing or assisting the Applicants in making any distributions in accordance with this Order or failing to withhold amounts ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Monitor under or pursuant to the Statutes or otherwise at law arising as a result of the distributions contemplated in this Order, and any claims of such nature are hereby forever barred.

### **CHARGES**

19. **THIS COURT ORDERS** that, following payment to the beneficiaries of the KERP of all amounts payable thereunder in accordance with its terms and conditions, the KERP Charge granted in the ARIO shall be automatically released and terminated without any further action.

20. **THIS COURT ORDERS** that upon payment of the Transaction Fee, the Financial Advisor Charge granted in the ARIO shall be automatically released and terminated without any further action.

21. **THIS COURT ORDERS** that, following making of the DIP Distribution in accordance with paragraph 13(c) of this Order such that all obligations owing under the DIP Term Sheet are repaid in full, the DIP Lender's Charge shall be automatically released and terminated without any further action.

### **APPROVAL OF MONITOR'S ACTIVITIES**

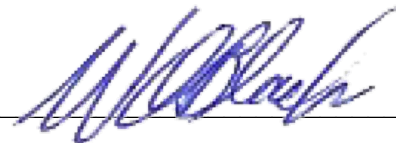
22. **THIS COURT ORDERS** that the First Report of the Monitor dated December 20, 2023, the Second Report of the Monitor dated March 19, 2024, the Third Report and the Fourth Report are hereby approved, and the activities and conduct of the Monitor prior to or on the date hereof

in relation to the Applicants and these CCAA proceedings (including as described in the foregoing reports) are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

## GENERAL

23. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies having jurisdiction in Canada, the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants and the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

24. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date hereof and is enforceable without any need for entry and filing.



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

Court File No. CV-23-711401-00CL

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL  
CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED  
CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND  
GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

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**ANCILLARY RELIEF ORDER**

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