Court File No. CV-23-00711401-00CL

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

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**")

MOTION RECORD OF THE APPLICANTS
(Returnable April 12, 2024)

April 4, 2024

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(the "**Applicants**")

NOTICE OF MOTION
(Returnable April 12, 2024)

The Applicants will bring a motion under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on April 12, 2024, at 11:30 a.m. (Toronto time) or as soon thereafter as the motion can be heard.

PROPOSED METHOD OF HEARING:

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

at a Zoom link to be made available by the Court and posted to CaseLines in advance of the Hearing.

THIS MOTION IS FOR:[1]

1. An Order (the “**Approval and Reverse Vesting Order**”) substantially in the form attached at Tab 3 of the Applicants’ Motion Record, among other things:

   (a) approving the Share Purchase Agreement (the “**Sale Agreement**”) dated as of March 30, 2024, between CPL, as seller (“**Seller**”), and AIP Elixir Buyer Inc., as buyer (“**Buyer**”), and the transaction contemplated therein (the “**Transaction**”), and authorizing the Seller, the Applicants and the Monitor to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;

   (b) declaring that CPL Canada Holdco, CPL Canada, and Glasshouse Canada (collectively, the “**Company**”) shall cease to be Applicants in these CCAA proceedings upon closing of the Transaction; and

   (c) granting a release in favour of (i) the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants (including the Company and ResidualCo (as defined below)), (ii) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors, (iii) the Buyer and its current and former directors, officers, employees, legal counsel and advisors, and (iv) Deerfield and its

[1] Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Affidavit of Jan Sahai sworn December 14, 2023 or the Affidavit of Jan Sahai sworn April 3, 2024 (the “**Sale Approval Affidavit**”).

current and former directors, officers, employees, legal counsel and advisors (the persons specified in (i) through (iv) being, collectively, the "**Released Parties**").

2. An Order (the "**Ancillary Relief Order**"), substantially in the form attached at Tab 4 of the Applicants' Motion Record, among other things:

(a) extending the stay period to and including June 7, 2024;

(b) declaring that ResidualCo shall be deemed to be the former employer of certain former employees of the Applicants, provided that such deeming shall be solely for the purposes of termination pay and severance pay pursuant to the *Wage Earner Protection Program Act* ("**WEPPA**");

(c) authorizing and empowering the Monitor to exercise any powers which may be exercised by the board of directors of each of CPL, Glasshouse America and ResidualCo (collectively, the "**Remaining Applicants**");

(d) authorizing the Applicants and the Monitor to make distributions from the net proceeds resulting from the closing of the Transaction to RBC, EDC and Deerfield;

(e) releasing the KERP Charge, the Financial Advisor Charge and the DIP Lender's Charge upon making payment of the amounts secured thereby; and

(f) approving the reports of the Monitor filed in these CCAA proceedings to date and the activities of the Monitor described in such reports.

3. An Order (the "**Terminated Employee Fund Order**"), substantially in the form attached at Tab 5 of the Applicants' Motion Record, among other things, approving the Terminated

Employee Fund Escrow Agreement to be entered into by and between the Buyer, as depositor, and the Monitor, as escrow agent, pursuant to which the Terminated Employee Fund will be established in order to pay a Hardship Benefit to Terminated Employees (as defined in the Sale Agreement), subject to the terms of the Terminated Employee Fund Escrow Agreement.

4. Such further and other relief as counsel may advise, and this Court may deem just.

THIS GROUNDS FOR THIS MOTION ARE:

Background

5. Based in Mississauga, Ontario, the Applicants are in the business of developing, manufacturing, packaging and testing non-sterile liquid and semi-solid pharmaceutical and regulated over-the-counter products. The Applicants' core business is that of CPL Canada, an industry-leading contract development and manufacturing organization.

6. On December 15, 2023, the Applicants sought and obtained an Initial Order (as amended and restated pursuant to the Amended and Restated Initial Order of this Court dated December 22, 2023 (the "**ARIO**")) under the CCAA granting, among other things, a stay of proceedings in favour of the Applicants.

7. Concurrently with the granting of the ARIO, this Court granted an Order (the "**SISP Approval Order**") which, among other things: (a) approved a refinancing, sale and investment solicitation process (the "**SISP**") in respect of the CPL Business, to be undertaken by the Applicants with the assistance of the Financial Advisor and under the oversight of the Monitor; and (b) authorized and directed the Applicants, the Financial Advisor and the Monitor to implement the SISP pursuant to its terms.

8. In connection with the Applicants' efforts to finalize the SISP, on March 21, 2024, the Applicants sought and obtained a Stay Extension Order extending the stay period to and including April 12, 2024 (the "**Stay Extension Order**"), to provide the Applicants with additional time and stability necessary to conclude negotiations, finalize transaction documents and serve a motion seeking approval of a transaction.

The Sale and Investment Solicitation Process

9. Following the issuance of the SISP Approval Order, the Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, conducted the SISP pursuant to its terms in an effort to identify the best available restructuring transaction for the benefit of the Applicants and their stakeholders.

10. The efforts of the Applicants and the Financial Advisor undertaken with respect to the SISP ultimately culminated in the receipt of several submissions before the Qualified Bid Deadline, including a bid from Aterian (the "**Aterian Bid**").

11. The Applicants reviewed the submissions and, in the case of the Aterian Bid, engaged in negotiations in respect of same. With the assistance of their professional advisors and in consultation with the Monitor and the DIP Lender, and in the exercise of their business judgement, the Applicants determined that the Aterian Bid, as ultimately negotiated in the form of the Sale Agreement, was the Successful Bid pursuant to the SISP.

12. The Monitor, the DIP Lender and the Applicants' largest secured creditor are supportive of the Transaction.

Reverse Vesting Structure of the Transaction

13. CPL Canada is subject to various laws and regulations pertaining to drugs and controlled substances due to the nature of certain materials it handles and the products that it produces. In particular, in order to operate the CPL Business, CPL Canada holds certain regulatory licences issued by (among others) Health Canada and the U.S. Food and Drug Administration, most of which are non-transferrable. As a result, any purchaser of the Applicants' assets would be required to apply for and obtain new licences from the relevant regulatory bodies, for which application processing times are significantly in excess of the time frame contemplated to complete a transaction pursuant to the SISP.

14. In light of this, the Transaction contemplated in the Sale Agreement has been structured as a "reverse vesting transaction" whereby, among other things:

(a) all of the issued and outstanding shares in the capital of CPL Canada Holdco will be sold, assigned and transferred to the Buyer, with the result that the Buyer will become the sole shareholder of CPL Canada Holdco; and

(b) all Excluded Assets, Excluded Contracts and Excluded Liabilities (as such terms are defined in the Sale Agreement) will be transferred and "vested out" to 1000834899 Ontario Inc. ("**ResidualCo**").

15. The reverse vesting structure will obviate the need for the Buyer to obtain new regulatory licences, thereby maximizing value and significantly reducing the time frame to closing the Transaction, as well as reducing costs and risks that would otherwise arise if the Applicants were required to remain under CCAA protection for an extended period of time, all to the benefit of the Applicants' stakeholders.

16. A reverse vesting structure will not result in any material prejudice or impairment of any of the Applicants' creditors' rights relative to proceeding via an asset sale transaction.

Releases

17. The proposed Approval and Reverse Vesting Order provides for the release of the Released Claims (as such term is defined in the Approval and Reverse Vesting Order) against the Released Parties. The Released Claims do not include (a) any claim against the current or former directors of the Applicants that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (b) any actual fraud or willful misconduct on the part of any Released Parties. Further, notwithstanding the proposed released, any insured claims will be preserved, provided that from and after the Effective Time (as defined in the Approval and Reverse Vesting Order), any person having a potentially insured claim shall only be entitled to recover from proceeds under the applicable insurance policies, to the extent available.

18. The release is rationally related to the Applicants' restructuring efforts and is a condition of the proposed Transaction. The Released Parties have and will continue to contribute to the successful outcome of these CCAA proceedings, including through working to complete the Transaction for the benefit of stakeholders. The proposed release will also assist in achieving certainty and finality, in turn facilitating distributions to creditors and the timely and efficient conclusion of these CCAA proceedings.

Stay Extension

19. The Stay Extension Order extended the stay period to and including April 12, 2024. Pursuant to the Ancillary Relief Order, the Applicants are requesting an extension of the stay period to and including June 7, 2024. The extension of the stay period is required to provide the

Applicants time and stability to close the Transaction, if approved, and to advance next steps in these proceedings.

20. As will be set out in the cash flow projections appended to the Third Report of the Monitor, taking into account the Transaction (including the Administrative Expense Reserve contemplated in the Sale Agreement), the Applicants are forecast to have sufficient liquidity to continue these CCAA proceedings throughout the proposed extension of the stay period.

21. The Applicants have been acting in and continue to act in good faith and with due diligence in these CCAA proceedings. Further, no creditor will suffer any material prejudice as a result of the extension of the stay period.

Wage Earner Protection Program Act

22. Although the Transaction will result in the vast majority of the Applicants' employees continuing in their roles, it is possible that some of CPL Canada's employees may be terminated in connection with the Transaction.

23. As a result of the reverse vesting nature of the proposed Transaction, CPL Canada will emerge from these proceedings, with the result that there will be no triggering event under WEPPA.

24. The proposed Ancillary Relief Order 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: (a) shall be effective immediately after the Effective Time; and (b) shall be solely for the purposes of termination pay and severance pay pursuant to WEPPA and not for any other purpose.

25. This proposed WEPPA declaration is intended to ensure that former employees of the Applicants who may be owed termination and severance pay are able to access benefits under WEPPA. If such a declaration is made, the Monitor has indicated that it will work with the Applicants to identify all employees that may be eligible for payments under WEPPA and assist such individuals in making submissions to Service Canada at the appropriate time.

Expansion of Monitor Powers

26. Upon the Effective Time, all then current directors and officers of the Remaining Applicants are expected to resign from their positions as directors and/or officers of the Remaining Applicants.

27. As a result of the foregoing, the Ancillary Relief Order provides that the Monitor is authorized and empowered upon the Effective Time 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 in order to facilitate the performance of any of their powers or obligations (including as contemplated by the Sale Agreement and the Transaction); (b) cause the Remaining Applicants to retain the services of any person as an employee, consultant or other similar capacity; (c) facilitate the winding-down of the Remaining Applicants; and (d) assign or cause any of the Remaining Applicants to be assigned into bankruptcy.

Distribution of Sale Proceeds

28. The Applicants are requesting authority from this Court for the Applicants and the Monitor to make certain distributions from the net proceeds of the Transaction to their secured creditors, in particular to: (a) RBC in respect of the full amount of the obligations outstanding under the RBC

Loan Agreement; (b) EDC in respect of the full amount of the obligations outstanding under the EDC Loan Agreement; and (c) Deerfield in respect of the full amount of the obligations outstanding under the DIP Term Sheet and the Deerfield Facility Agreement.

29. The Monitor's counsel has reviewed the security granted in favour of each of RBC, EDC and Deerfield, and has concluded that their respective security documentation is valid and enforceable, subject to customary assumptions and qualifications.

30. Authorizing the distributions will facilitate the timely repayment of the Applicants' secured debt, reduce associated interest expenses and otherwise assist in progressing these proceedings towards their conclusion.

KERP Charge, Financial Advisor Charge and DIP Lender's Charge

31. Upon closing of the Transaction, the Applicants will use proceeds from the DIP Loan to pay the Transaction Fee to the Financial Advisor, and to pay all amounts owing to the beneficiaries of the KERP in respect of amounts payable thereunder. In addition, the Applicants will also use proceeds from the Transaction to repay the DIP Loan.

32. In light of the foregoing, the Applicants are seeking to have the Financial Advisor Charge, the KERP Charge and the DIP Lender's Charge released and discharged, in each case, effective upon completion of the relevant payments secured by such charges.

Terminated Employee Fund Order

33. Any liabilities for Terminated Employees are Excluded Liabilities under the Transaction. As there is not contemplated to be any value available for unsecured creditors, Terminated

Employees will not receive any distributions on account of claims they may hold relating to the termination of their employment.

34. The Applicants are seeking approval of the Terminated Employee Fund Order which, among other things, approves the Terminated Employee Fund Escrow Agreement to be entered into by the Buyer and the Monitor on closing.

35. Pursuant to the Terminated Employee Fund Escrow Agreement, the Buyer will fund, and the Monitor will administer, the Terminated Employee Fund in the amount of CA$500,000 (or such greater amount as the Buyer shall elect to fund in its sole discretion) from which one-time gratuitous Hardship Benefit payments are proposed to be made to Terminated Employees.

36. The Hardship Benefit payable to a Terminated Employee will be up to an amount that is equal to such Terminated Employee's minimum statutory termination pay, and if applicable, statutory severance pay, subject to a potential *pro rata* reduction if total Hardship Benefits payable to Terminated Employees exceeds the Terminated Employee Fund Amount, all as will be calculated by the Monitor.

37. The Terminated Employee Fund will assist in ameliorating the hardship faced by the Terminated Employees as a result of the termination of their employment in the circumstances of the CCAA proceedings, and approval thereof is fair and reasonable in the circumstances.

Approval of Monitor's Reports and Activities

38. The Monitor's activities undertaken in these proceedings have been carried out in good faith and in accordance with the provisions of the orders of the Court issued in these proceedings, and should be approved. Approval of the Monitor's reports and activities will assist in advancing these CCAA proceedings to a conclusion.

General

39. Such other grounds as further set out in the Sale Approval Affidavit.

40. The provisions of the CCAA, including sections 11, 11.02(2), 23(k) and 36, and this Court's equitable and statutory jurisdiction thereunder.

41. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.S.O. 1990, Reg. 194, as amended.

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

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

43. The Sale Approval Affidavit and the exhibits attached thereto;

44. The Third Report of the Monitor and the appendices thereto, to be filed; and

45. Such further and other materials as counsel may advise and this Court may permit.

Date: April 4, 2024

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable April 12, 2024)

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Court File No. CV-23-00711401-00CL

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

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

AFFIDAVIT OF JAN SAHAI
(sworn April 3, 2024)

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AFFIDAVIT OF JAN SAHAI
(sworn April 3, 2024)

I, Jan Sahai, of the City of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

I. INTRODUCTION

1. I am the Chief Executive Officer ("**CEO**") of CPL Canada where I have been employed for over 18 years. I previously served as Vice President, Business Development from September 2005 to May 2022; interim CEO from June 1, 2022 to October 31, 2022; and was appointed CEO on November 1, 2022. In my role as CEO, I am responsible for major corporate decisions, managing overall operations, allocating capital, and setting CPL Canada's strategic direction under the oversight of the board of directors. As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true. I do not, and do not intend to, waive privilege by any statement herein.

2. All capitalized terms not otherwise defined herein have the meaning given to them in my affidavit sworn December 14, 2023 (the "**Initial Affidavit**"). A copy of the Initial Affidavit (without exhibits) is attached hereto as **Exhibit "A"**. All references to currency in this Affidavit are references to U.S. dollars, unless otherwise indicated.

II. ORDERS SOUGHT

3. This affidavit is sworn in support of a motion by the Applicants before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for the issuance of:

(a) an Order (the "**Approval and Reverse Vesting Order**"), among other things:

(i) approving the Share Purchase Agreement dated as of March 30, 2024 (the "**Sale Agreement**"), between CPL, as seller ("**Seller**"), and AIP Elixir Buyer Inc., an affiliate of Aterian Investment Partners IV, LP ("**Aterian**"), as buyer ("**Buyer**") and the transaction contemplated therein (the "**Transaction**"), and authorizing the Seller, the Applicants and KSV Restructuring Inc. ("**KSV**"), in its capacity as Monitor of the Applicants (in such capacity, the "**Monitor**"), to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;

(ii) declaring that CPL Canada Holdco, CPL Canada and Glasshouse Canada (collectively, the "**Company**") shall cease to be Applicants in these CCAA

proceedings as of the Effective Time (as defined in the Approval and Reverse Vesting Order), as further detailed below; and

(iii) granting a release in favour of the Released Parties with respect to the Released Claims (each as defined below);

(b) an Order (the "**Ancillary Relief Order**"), among other things: (i) extending the Stay Period (as defined below) until and including June 7, 2024; (ii) expanding the powers of the Monitor as they relate to CPL, Glasshouse America and 1000834899 Ontario Inc. ("**ResidualCo**" and, collectively with CPL and Glasshouse America, the "**Remaining Applicants**"); (iii) authorizing the Applicants and the Monitor to make certain distributions from the net proceeds resulting from the closing of the Transaction; and (iv) granting certain ancillary relief necessary to advance these CCAA proceedings; and

(c) an Order (the "**Terminated Employee Fund Order**"), among other things, approving the Terminated Employee Fund Escrow Agreement (the "**Terminated Employee Fund Escrow Agreement**") to be entered into by and between the Buyer, as depositor, and the Monitor, as escrow agent, pursuant to which the Terminated Employee Fund (as such term is defined below) will be established.

4. The Sale Agreement represents the culmination of the Court-approved SISP (as defined below) and contemplates a going concern transaction that provides significant benefits to the Applicants' stakeholders, including repayment of their nearly CA$60 million of secured debt in full, the assumption of a significant portion of stayed trade payables and continued employment

for the vast majority of CPL Canada's 279 employees. The Transaction is supported by the Applicants' DIP Lender and largest secured creditor, Deerfield, as well as by the Monitor.

5. In order to preserve the Company's valuable Regulatory Licences (as defined below) and so that the Transaction can close in an expedited manner, the Sale Agreement contemplates a reverse vesting structure. Subject to the satisfaction of outstanding conditions and obtaining Court approval, the Applicants expect the Transaction to close in mid-May 2024.

III. BACKGROUND

A. Overview

6. As discussed in the Initial Affidavit, the Applicants' core business is that of CPL Canada, an industry-leading pharmaceutical contract development and manufacturing organization. CPL Canada specializes in the development, manufacturing, packaging and testing of non-sterile liquid and semi-solid pharmaceutical and regulated over-the-counter products, and also provides laboratory services that include materials, product release and stability testing, as well as product development services (the "**CPL Business**").

7. Beginning in 2016, the Applicants made certain strategic decisions that negatively impacted performance. In particular, in 2017, the Applicants established Glasshouse to operate their generic pharmaceuticals business. Glasshouse suffered consistent losses since its inception, which in turn eroded the Applicants' margins, distracted management from the core CPL Business, which has historically been profitable, and left the Applicants with a legacy debt burden which has impeded attempts to return to profitability.

8. Despite operational restructuring efforts (including winding-down the Glasshouse business and divesting related assets) and the financial support of their shareholders (who injected $7.05 million of additional equity financing in 2022 and 2023), the Applicants remained burdened by the interest expense of their debt obligations and suppressed availability under their operating line of credit, which led the Applicants to struggle to support their ongoing working capital requirements, resulting in stretched trade payables and increasingly constrained liquidity.

9. In light of these issues, in October 2023, the Applicants engaged SSG Capital Advisors, LLC ("**SSG**") to assist them in exploring strategic alternatives in consultation with their stakeholders, including a refinancing and/or raising additional capital. Although several parties expressed interest in a potential transaction, a definitive transaction was not identified at that time. With limited remaining cash on hand, and there being no realistic prospect of refinancing their secured debt obligations outside of a formal restructuring process, on December 15, 2023, the Applicants sought and obtained an Order of this Court (the "**Initial Order**") providing creditor protection and relief under the CCAA.

10. The Initial Order, among other things: (a) appointed KSV as the Monitor; (b) granted a stay of proceedings in favour of the Applicants for an initial period of ten days in accordance with the CCAA (the "**Stay Period**"); (c) authorized the Applicants to enter into the DIP Term Sheet with Deerfield, as lender, and to borrow and provide guarantees (as the case may be), provided that borrowings under the DIP Loan did not exceed $1,500,000 until further Order of the Court; and (d) granted the following charges against the Property (as defined in the Initial Order) (collectively, the "**Charges**"), listed in order of priority: (i) the Administration Charge up to a maximum amount of CA$375,000; (ii) the Directors' Charge up to a maximum amount of

CA$1,801,000; and (iii) the DIP Lender's Charge up to a maximum amount of $1,500,000 (plus interest, fees and expenses), provided that the DIP Lender's Charge was subordinate to the RBC/EDC Security.

11. On December 22, 2023, the Court granted an Amended and Restated Initial Order, which, among other things: (a) extended the Stay Period until March 22, 2024; (b) increased the amounts which could be borrowed under or guaranteed by the Applicants under the DIP Loan to $6,000,000 and increased the DIP Lender's Charge to the same amount (plus interest, fees and expenses); (c) increased the amount of the Administration Charge to CA$600,000; (d) increased the amount of the Directors' Charge to CA$2,306,000; (e) approved the KERP and granted the KERP Charge up to a maximum amount of CA$998,311; and (f) approved the engagement of SSG as the Financial Advisor of the Applicants (the "**Financial Advisor**") and granted the related Financial Advisor Charge.

12. Also on December 22, 2023, the Court granted an Order (the "**SISP Approval Order**"), which, among other things: (a) approved a refinancing, sale, and investment solicitation process (the "**SISP**"), to be undertaken by the Applicants within these CCAA proceedings; and (b) approved and authorized the conduct of the SISP by the Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, in accordance with the procedures attached to the SISP Approval Order.

13. On March 21, 2024, the Court granted an Order (the "**Stay Extension Order**"), which extended the Stay Period until April 12, 2024, to provide the Applicants with additional time to conclude negotiations, finalize transaction documents and serve a motion seeking approval of a restructuring transaction pursuant to the SISP, as further outlined below.

IV. SISP

A. Implementation of the SISP

14. The SISP was formally commenced on December 22, 2023, following the issuance of the SISP Approval Order. A copy of the SISP Approval Order, which attaches the SISP, is attached to this affidavit as **Exhibit "B"**.

15. The SISP was designed by the Applicants, in consultation with the Monitor and Deerfield, in its capacity as the DIP Lender, to be a flexible process that would enable the Applicants to identify the highest or otherwise best offer for a refinancing, sale or other strategic investment or transaction involving the business, assets and/or equity of the Applicants.

16. The SISP contemplated the following key milestones, which milestones could be extended by the Applicants, in consultation with the Monitor (provided that in the case of any extension by more than three (3) days for any individual milestone, or seven (7) days in the aggregate, or for any extension of the Outside Date (as defined in the SISP), the consent of the DIP Lender shall also be required):

Date	Key Milestone
By no later than January 8, 2024	Commencement of the solicitation process, it being understood that the Applicants and the Financial Advisor, in consultation with the Monitor, shall be at liberty to provide marketing materials and commence discussions with interested parties prior to such date as they consider appropriate.
February 8, 2024	LOI Deadline.
February 29, 2024	Qualified Bid Deadline.
March 12, 2024	Selection of Successful Bid Deadline.
By no later than March 22, 2024	Hearing for the Approval Order (subject to the Court's availability).

Date	Key Milestone
April 30, 2024	Outside Date for Closing of the Successful Bid.

17. The Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, conducted the SISP in accordance with the terms and milestones set out therein, which involved, among other things, the following:

(a) on December 19, 2023, the Financial Advisor disseminated a teaser and process letter, including a form of non-disclosure agreement ("**NDA**"), to four hundred and forty-five (445) potentially interested parties, including strategic and financial parties, who were encouraged to participate in the SISP. Given the intervening holiday period, the Financial Advisor sent a follow-up email to these parties on January 3, 2024;

(b) eighty-six (86) of the above-noted parties entered into an NDA with CPL to receive confidential information in connection with the SISP. Such parties were then provided with a confidential information memorandum and access to a confidential data site (the "**Data Site**") containing non-public information regarding the CPL Business. Eighty-five (85) of those eighty-six (86) parties accessed the Data Site;

(c) in the lead up to the LOI Deadline, the Applicants, the Financial Advisor and the Monitor worked with the parties who accessed the Data Site to respond to inquiries, discuss the CPL Business, address details regarding the acquisition opportunity, and to otherwise ensure that such parties had the information necessary to submit a non-binding letter of intent ("**LOI**") by the LOI Deadline. Eleven (11) LOIs were ultimately received from prospective bidders on or about the LOI Deadline;

(d) following the LOI Deadline, the Applicants, with the assistance of the Financial Advisor, began coordinating a further diligence process for prospective bidders to provide them with additional information required to submit a Qualified Bid by the Qualified Bid Deadline. This process included, among other things: (i) uploading additional information regarding the CPL Business, as well as a form of transaction agreement, to the Data Site; (ii) facilitating site visits for prospective bidders at the Mississauga HQ and the Meadowpine Property; and (iii) arranging management calls with various prospective bidders and their advisors;

(e) during the course of discussions with prospective bidders, the issue of how to address the Regulatory Licences (as defined below) held by CPL Canada and that are necessary to operate its business arose. As further discussed below, given that certain key Regulatory Licences are non-transferrable and the timeline for obtaining new licences is significant, multiple prospective bidders indicated a preference to pursue a transaction structure that preserved the ongoing benefit of the Regulatory Licences; and

(f) at the request of multiple prospective bidders, the Applicants extended the Qualified Bid Deadline by seven (7) days to 2:00 p.m. (Toronto time) on March 7, 2024. The Applicants determined, with the consent of the DIP Lender and in consultation with the Monitor, that the extension was necessary and appropriate in the circumstances to enable the prospective bidders to complete further diligence efforts in order to submit a Qualified Bid by the Qualified Bid Deadline.

18. The efforts of the Applicants and the Financial Advisor undertaken with respect to the SISP ultimately culminated in the receipt of several submissions before the Qualified Bid Deadline, including a bid from Aterian (the "**Aterian Bid**").

B. Outcome of the SISP

19. The Applicants, with the assistance of their professional advisors and in consultation with the Monitor and the DIP Lender, reviewed the submissions received to determine whether they were Qualified Bids pursuant to the SISP. Consideration was given to, among other things, the amount of consideration being offered, the potential impact on the Applicants and their stakeholders, and the form of the submission.

20. Following this review, the Applicants concluded that the Aterian Bid represented the best available option in the circumstances and that the other submissions did not represent viable alternatives having regard to, among other factors, the proposed consideration offered. Accordingly, the Applicants elected to engage in further negotiations with Aterian in an effort to improve the terms of the Aterian Bid. As part of these negotiations, Aterian requested, and the Applicants (following consultation with their professional advisors, the Monitor and the DIP Lender) agreed, to enter into exclusive negotiations with Aterian.

21. To allow for further time for such exclusive negotiations with Aterian, in consultation with the Monitor and with the consent of the DIP Lender, as applicable, the Applicants elected to extend the deadline to select a Successful Bid on several occasions, ultimately until 11:59 p.m. (Toronto time) on March 29, 2024.

22. On March 29, 2024, the Applicants, with the assistance of their professional advisors and in consultation with the Monitor and the DIP Lender, and in the exercise of their business judgement, determined that the Aterian Bid, as ultimately negotiated in the form of the Sale Agreement, was the Successful Bid pursuant to the terms of the SISP. Accordingly, the Sale Agreement was entered into by the Buyer and the Seller on March 30, 2024.

23. Concurrently with the execution of the Sale Agreement, the Applicants and the DIP Lender entered into an amendment ("**Amendment No. 1**") to the DIP Term Sheet which extended the Maturity Date (as defined in the DIP Term Sheet) to May 29, 2024, and formalized the previously-approved extensions of certain SISP milestones. A copy of Amendment No. 1 is attached as **Exhibit "C"** to this affidavit.

24. In addition to keeping the Monitor and Deerfield apprised of the progress of the SISP on an ongoing basis, the Applicants and the Monitor provided confidential updates to RBC on the status of the SISP from time to time.

V. TRANSACTION

A. Terms of the Sale Agreement

25. The Applicants are seeking the Approval and Reverse Vesting Order approving the Sale Agreement and the related Transaction, whereby the Buyer will acquire the CPL Business through a purchase of all issued and outstanding shares of CPL Canada Holdco. A copy of the Sale Agreement is attached as **Exhibit "D"** to this affidavit.

26. The key terms of the Sale Agreement are summarized below. Capitalized terms used in the below table that are not otherwise defined herein have the meaning given to such terms in the Sale

Agreement. The following constitutes a summary only; reference should be made to the Sale Agreement for a complete understanding of its terms.

Key Terms	Description
Seller	Contract Pharmaceuticals Limited
Buyer	AIP Elixir Buyer Inc., an affiliate of Aterian, a U.S. based private investment fund managed by Aterian Investment Partners
Purchase and Sale of CPL Shares	• CPL Shares: Effective as and from the Closing Time, Seller shall sell, assign and transfer all of the issued and outstanding shares in the capital of CPL Canada Holdco (the "**CPL Shares**") to Buyer, and Buyer shall purchase the CPL Shares from Seller, free and clear of all Claims and Encumbrances (other than Permitted Encumbrances), with the result that Buyer shall become the sole shareholder of CPL Canada Holdco at the Closing Time.
Share Purchase Price, Closing Consideration, Administrative Expense Reserve, Terminated Employee Fund	• Share Purchase Price: The aggregate purchase price (the "**Share Purchase Price**") payable by the Buyer to the Seller for the CPL Shares shall be CA$1.00. • Closing Consideration: On the Closing Date, the Buyer shall pay to the Monitor an amount equal to the aggregate amount of all Claims (including all costs and expenses) owing under the DIP Facility, the RBC Facility, the EDC Facility and the Deerfield Facility payable in the currency stipulated by each such Credit Facility, which amounts have been estimated by the Seller to be approximately CA$57,516,345 (the "**Closing Consideration**"). • Administrative Expense Reserve: On the Closing Date, the Buyer shall pay to the Monitor an amount equal to CA$750,000 to be paid to the Monitor in accordance with the terms of the Sale Agreement and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs (the "**Administrative Expense Reserve**"). • Terminated Employee Fund: On the Closing Date, subject to the Company obtaining the Terminated Employee Fund Order, the Buyer shall pay CA$500,000 to the Monitor to establish, or cause to be established, the Terminated Employee Fund. The Monitor and the Buyer shall enter into the Terminated Employee Fund Escrow Agreement.
Transaction Structure	The Transaction is structured as a "reverse vesting transaction", whereby the CPL Shares will be sold, assigned and transferred to the Buyer, with the result that the Buyer will become the sole shareholder of CPL Canada Holdco upon all Excluded Assets, Excluded Contracts and Excluded Liabilities being transferred and "vested out" to ResidualCo.
Retained Assets	The "**Retained Assets**" constitute all of the assets owned by the Company on the date of the Sale Agreement and any assets acquired by it up to and including

Key Terms	Description
	Closing, including the Retained Contracts[1], Permits and Licenses and books and records of the Company, except, however, any products or inventory sold in the ordinary course of business during the Interim Period. The Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo on the Closing Date and same shall be vested in ResidualCo.
Excluded Assets	The "**Excluded Assets**" constitute the following: (a) all rights, covenants, obligations and benefits in favour of ResidualCo under the Sale Agreement that survive Closing; (b) all amounts owing by the Seller or Glasshouse America to the Company (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence); and (c) those assets listed in Schedule "C" of the Sale Agreement, an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Excluded Assets and may not remove any Excluded Assets that were listed as of the date of the Sale Agreement without the Seller's written consent and the consent of the Monitor).
Assumed Liabilities	The "**Assumed Liabilities**" constitute the following: (a) Liabilities specifically and expressly designated by the Buyer as assumed Liabilities in Schedule "A" of the Sale Agreement, an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Liabilities and may not remove any Liabilities that were listed as of the date hereof without the Seller's written consent and the consent of the Monitor); (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances solely to the extent arising out of events or circumstances that first occur after the Closing; (c) Liabilities in respect of the Continuing Employees except as set forth in the definition of Excluded Liabilities; (d) Pre-Filing Stayed Unsecured Obligations, including Cure Costs, to a maximum aggregate amount of CA$10,829,236 (which amount, if fully assumed, would repay substantially all pre-filing stayed trade obligations

[1] In accordance with the Sale Agreement, the Buyer may deliver an amended list of the Retained Contracts specified on Schedule "G" from time to time. The Applicants and the Buyer continue to discuss the Retained Contracts listed on Schedule "G". To the extent any changes to the Retained Contracts listed on Schedule "G" are made in advance of the hearing date, the Applicants or the Monitor will serve an updated version of Schedule "G" on the service list and contractual counterparties.

Key Terms	Description
	of the Company), in such amounts as may be agreed to between the Buyer and the third party to which such Pre-Filing Stayed Unsecured Obligations are payable; provided that, in the absence of such agreement, the Buyer may, subject to certain conditions, exclude up to a specified amount of Claims from being Pre-Filing Stayed Unsecured Obligations by notice to the Seller and the Monitor no later than two (2) Business Days prior to the Closing Date; and (e) Post-Filing Trade Amounts.
Excluded Liabilities	The "**Excluded Liabilities**" constitute all Claims and Encumbrances (other than Permitted Encumbrances) in respect of or against the Company relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities. Such Excluded Liabilities include, among other things, the following: (a) the non-exhaustive list of Liabilities in Schedule "E" of the Sale Agreement, including Pre-petition Severance Amounts and Claims under the FedDev Facility; (b) all pre-filing Claims (other than Pre-Filing Stayed Unsecured Claims); (c) all amounts owing by the Company to the Seller and Glasshouse America (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence), including any amounts owing in respect of Taxes; (d) any and all Claims relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction (including any change of control obligations or Existing Equity in respect of Terminated Employees and Continuing Employees) and to which the Company may be bound as at the Closing Time; (e) Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing, including Liabilities for Terminated Employees; and (f) all Liabilities to or in respect of the Company's Affiliates. For greater certainty, the Excluded Liabilities include all Liabilities that are not Assumed Liabilities, but exclude all Assumed Liabilities.
Excluded Contracts	The "Excluded Contracts" constitute all Contracts that are not Retained Contracts, including those Contracts listed in Schedule "D" of the Sale Agreement, an amended list of which may be delivered by the Buyer no later than two (2) Business Days before the Closing Date.
Employee Matters	The Buyer has agreed to retain no less than 250 Continuing Employees, being the vast majority of the Company's employees; however, it is anticipated that a small number of employees may be terminated by CPL Canada prior to Closing, as contemplated by the Sale Agreement.

Key Terms	Description
	The Buyer has agreed to establish the Terminated Employee Fund on the Closing Date in the aggregate amount of CA$500,000, or such greater amount as Buyer may determine, in its sole and absolute discretion, to be held in escrow and distributed in accordance with the provisions of the Terminated Employee Fund Escrow Agreement, which will be established for the purposes of holding and disbursing the Terminated Employee Fund to the Terminated Employees.
Closing Date	The closing date of the Transaction is the date that is no later than the earlier of the second Business Day after the last of the conditions to Closing set out in the Sale Agreement have been satisfied and by the Outside Date (being May 29, 2024) if such conditions to Closing have been satisfied, or such other date as the Parties and the Monitor may agree, acting reasonably (the "**Closing Date**").
Key Conditions to Closing	Certain mutual conditions of the Closing include, among other things, that the Approval and Reverse Vesting Order and the Terminated Employee Fund Order shall have been issued and entered by the Court, and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the Court. Certain Buyer conditions of Closing include, among other things, that: (a) the Buyer shall be satisfied in its sole and absolute discretion with the outcome of the discussions coordinated by the Company that the Buyer shall have with the Identified Customers (the "**Customer Condition**"), provided that the Customer Condition will be deemed irrevocably satisfied if Buyer does not exercise its associated termination right by the Customer Deadline, being the later of (i) 11:59 p.m. (Toronto time) on April 9, 2024, and (ii) such later date and time as the Seller may agree to in writing in its sole discretion following consultation with the Monitor; (b) an order shall have been obtained in respect of proceedings to recognize the CCAA Proceedings and enforce the Approval and Reverse Vesting Order in the United States pursuant to Chapter 15 of Title 11 of the United States Code, which shall be satisfactory to the Buyer, acting reasonably and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the applicable court ("**Chapter 15 Recognition**"); (c) since the date of the Sale Agreement, there shall not have occurred any Material Adverse Change; and (d) the Key Licences shall remain in good standing, unamended (subject to certain exceptions), and since the date of the Sale Agreement, there shall not have occurred any Material Health Regulatory Incident.
Representations and Warranties	Consistent with the terms of a standard insolvency transaction – that is, on an "as is, where is" basis – the Sale Agreement has limited representations and warranties, none of which survive Closing.

<table>
<tr><th>Key Terms</th><th>Description</th></tr>
<tr><td>Pre-Closing Reorganization and Closing Sequence</td><td>No earlier than the Business Day immediately prior to the Closing Date and upon request of the Buyer, the Seller shall, and shall cause the Company to, perform a Pre-Closing Reorganization, on and subject to the terms outlined in the Sale Agreement.

Certain pre-Closing and Closing Transaction implementation steps are contemplated to be completed in connection with the Transaction, as detailed in Section 6.5 and Schedule “H” of the Sale Agreement, which may be updated from time to time in accordance with the terms of the Sale Agreement.</td></tr>
<tr><td>Termination</td><td>Certain termination rights include, among others, the following:
either Party may terminate the Sale Agreement if Closing does not occur on or before the Outside Date; provided, however, that the Party seeking to terminate the Sale Agreement may not do so if the Closing’s non-occurrence on or before the Outside Date is caused by such Party’s failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by such Party before the Closing Date;
either the Buyer, on the one hand, or the Seller (with the consent of the Monitor), on the other hand, may terminate the Sale Agreement if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition to Closing on or before the Outside Date and such violation or breach has not been waived by the other Party or cured within ten (10) days after written notice thereof from the other Party, unless the other Party is in material breach of its obligations under the Sale Agreement;
the Buyer may terminate the Sale Agreement if the Buyer determines the Customer Condition will not be met, or the Company has not arranged a call between Buyer and each Identified Customer to be held prior to the Customer Deadline. This termination right will terminate and be of no further force or effect unless exercised by Buyer in writing by the Customer Deadline; and
either party may terminate the Sale Agreement if the Court declines to grant the Approval and Reverse Vesting Order in respect of the Transaction; provided, however, that the Party seeking to terminate the Sale Agreement may not do so for that reason if the Court’s non-approval of the Transaction is caused by such Party’s failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by such Party before the Closing Date.</td></tr>
<tr><td>Other</td><td><u>Release by the Buyer</u>: Except in connection with any obligations of the Company contained in the Sale Agreement, any Closing Documents or the Approval and Reverse Vesting Order and Terminated Employee Fund Order, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, Buyer and its Affiliates (including the Company) shall provide and deliver a full and final release to the Company Released Parties.</td></tr>
</table>

Key Terms	Description
	• <u>Release by the Seller</u>: Except in connection with the obligations of the Buyer contained in the Sale Agreement, any Closing Documents or the Approval and Reverse Vesting Order and the Terminated Employee Fund Order, or the obligations of the Investors under the Equity Commitment Letter, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, the Company and its Affiliates (including ResidualCo) shall provide and deliver a full and final release to the Buyer Released Parties.

B. Reverse Vesting Structure of the Transaction

27. The Transaction contemplated in the Sale Agreement has been structured as a "reverse vesting" transaction. In essence, instead of providing for a traditional asset sale transaction where all purchased assets are purchased and transferred to the purchaser on a "free and clear" basis and all excluded assets, excluded contracts and excluded liabilities remain with the debtor company, the Transaction provides for a share purchase transaction whereby:

(a) all of the CPL Shares will be sold, assigned and transferred to the Buyer, with the result that the Buyer will become the sole shareholder of CPL Canada Holdco (and the indirect shareholder of CPL Canada and Glasshouse Canada); and

(b) all Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred and vested out to ResidualCo.

28. As previewed above, CPL Canada is subject to various laws and regulations pertaining to drugs and controlled substances due to the nature of certain materials it handles and the products that it produces. In particular, in order to operate the CPL Business, CPL Canada holds the following seven regulatory licences: (a) a dealer licence under the *Controlled Drugs and Substances Act*; (b) two (2) separate drug establishment licences (each a "**DEL**") for its Mississauga HQ and Meadowpine Property under the *Food and Drugs Act*; (c) a pathogen and

toxin licence under the *Human Pathogen and Toxins Act*; (d) a site licence under the *Natural Health Products Regulations*; and (e) two (2) establishment identifier licences for its Mississauga HQ and Meadowpine Property with the U.S. Food and Drug Administration (collectively, the "**Regulatory Licences**").

29. For the most part, the Regulatory Licences are non-transferrable, with the result that any purchaser of the Applicants' assets would be required to apply for and obtain new licences from the relevant regulatory bodies, such as Health Canada, which in some cases would include a requirement to obtain fresh site inspections of CPL Canada's manufacturing facilities. I understand from discussions with counsel that the timeline for obtaining new licences can be significant. By way of example, the Health Canada service guideline for obtaining a new DEL indicates that the performance standard for processing a DEL application is 250 calendar days from the date of application.

30. Given the lengthy period required for a prospective purchaser of the CPL Business to obtain certain Regulatory Licences (which period extends far beyond the contemplated outside date for closing a transaction pursuant to the SISP), it became apparent, including based on discussions with multiple bidders, that structuring a transaction in a manner that would preserve the Regulatory Licenses was of critical importance in ensuring that a going concern transaction could be achieved.

31. I believe the reverse vesting structure is necessary in these circumstances as it allows CPL Canada to maintain all of its Regulatory Licences, thereby enabling the CPL Business to continue without interruption as a going concern upon closing of the Transaction under the ownership of the proposed Buyer. In contrast, proceeding by way of an asset sale transaction would require that

the Buyer apply for new regulatory licences, which would result in significant additional delay. In a best case scenario, the Applicants would be required to remain in CCAA until the proposed Buyer had applied for and obtained these licences, leading to significantly increased restructuring and financing costs (assuming ongoing financing could be obtained) and ongoing uncertainty and pressure on the CPL Business. In a worst case scenario, it would preclude any possibility of a going concern transaction and lead to a value destructive liquidation.

32. Accordingly, the reverse vesting structure enhances overall value by facilitating the continuation of the CPL Business as a going concern, an outcome which is better for stakeholders as a whole as it maximizes the value of the Applicants while at the same time preserving employment and customer and supplier relationships that would otherwise be lost in a liquidation.

33. I do not believe that completing the Transaction under a reverse vesting structure will result in any material prejudice or impairment of any of the Applicants' creditors' rights relative to proceeding via an asset sale transaction, as the Sale Agreement maintains the rights that such creditors would otherwise have in an asset sale transaction. For example, although no assignment of contracts to the Buyer is contemplated as part of the Transaction, the Sale Agreement provides for the payment of all Cure Costs owing under the Retained Contracts (as each of those terms are defined in the Sale Agreement).

C. Requested Approval of the Transaction

34. The proposed Transaction represents a very positive outcome for the Applicants and their stakeholders in the circumstances. The benefits of the Transaction include, among other things, the following:

(a) payment in full of all of the Applicants' secured debt totalling approximately CA$58 million;

(b) assumption of a significant amount of, if not substantially all, pre-filing trade payables, including Cure Costs, up to a maximum of CA$10,829,236; and

(c) continuation of the CPL Business as a going concern upon completion of the Transaction, resulting in the vast majority of the Applicants' employees continuing in their employment and the preservation of ongoing customer and supplier relationships.

35. Although it is not contemplated that there will be any value available for distribution to unsecured creditors, as noted above, the Transaction contemplates that up to approximately CA$10.8 million of the Applicants' pre-filing trade payables (which would otherwise constitute unsecured claims) may be assumed. While the Buyer retains some discretion to assume less than the maximum amount of pre-filing trade payables, the Buyer has nonetheless committed to assuming no less than a majority of this amount, representing a significant portion of the Applicants' third party unsecured indebtedness. Unfortunately, there will still be some unsecured obligations that will not be satisfied, such as the obligations of the Applicants owed under the Fed Dev Agreement, termination and severance obligations owing to former employees of the Applicants, and certain trade creditor obligations. However, these unsecured creditors would fare no better under an asset sale transaction.

36. It is also contemplated that the Applicants will satisfy all obligations of the type contemplated by subsection 6(5) of the CCAA, and I am not aware of the Applicants owing any obligations of the type described in subsections 6(3) and 6(6) of the CCAA.

37. Counsel has advised me that if CPL Canada were to be bankrupted, former employees owed termination and severance pay would likely be entitled to payments under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 ("**WEPPA**"), up to a maximum of approximately CA$8,500 per former employee. I understand that because CPL Canada will be reverse vested and will emerge from the CCAA proceedings, CPL Canada will not be bankrupted and WEPPA will not be triggered. Accordingly, the Applicants are seeking a declaration that ResidualCo (which is contemplated to be bankrupted) is deemed to be the former employer of any former employees of the Applicants who were (or are) terminated between June 15, 2023 (being six months prior to the commencement of these CCAA proceedings) and the Closing Date, solely for the purposes of termination pay and severance pay pursuant to WEPPA and not for any other purpose.

38. Although the vast majority of the Company's employees will continue in their employment following closing of the Transaction, in order to right size the employee headcount of the CPL Business moving forward, it is contemplated that the employment of a small number of employees may be terminated prior to the closing of the Transaction. Given the outcome of the SISP and the fact that there is no value available for unsecured creditors, no distributions will be available for these Terminated Employees on account of any claims they may hold for termination and severance pay. However, as discussed in greater detail below, as a condition of the Transaction, the Buyer has agreed to fund the Terminated Employee Fund which is meant to provide financial

assistance to Terminated Employees facing hardship as a result of the impact of these CCAA proceedings on their employment.

39. In light of the above, I believe that the Transaction, if approved by the Court, will result in a positive outcome for the Applicants, its secured creditors and other stakeholders. The Monitor has assisted with the implementation of the SISP and has been kept informed of key developments regarding the negotiation of the Transaction. I understand that the Monitor is also supportive of the proposed Transaction, including its reverse vesting structure, and will be filing a report with the Court expressing its support in respect of same.

D. Chapter 15 Recognition

40. The obligation of the Buyer to consummate the Transaction is subject to obtaining Chapter 15 Recognition. Pursuant to the ARIO, CPL was authorized to act as a foreign representative and to apply for foreign recognition of these CCAA proceedings, to the extent considered necessary by the Applicants, in any jurisdiction outside of Canada, including in the United States pursuant to Chapter 15 of Title 11 of the United States Code. Accordingly, the Applicants anticipate filing a voluntary petition for recognition of these CCAA proceedings and the Approval and Reverse Vesting Order from the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**") shortly following Court approval of the Transaction, if granted. I understand from discussions with counsel that it is contemplated that the final recognition of the CCAA proceedings and the Approval and Reverse Vesting Order will be sought from the U.S. Bankruptcy Court at a hearing to be scheduled in mid-May 2024.

E. The Customer Condition

41. I note that the obligation of the Buyer to consummate the Transaction is also subject to the Customer Condition pursuant to which the Buyer must be satisfied, in its sole and absolute discretion, with the outcome of the discussions that the Buyer shall have with three specific customers of the Applicants. The Customer Condition will be deemed irrevocably satisfied if the Buyer does not exercise its associated termination right by the Customer Deadline, being the later of 11:59 p.m. (Toronto time) on April 9, 2024, or such later date as the Seller may agree to in writing in its sole discretion in consultation with the Monitor. To date, the Applicants have facilitated discussions between the Buyer and a number of their key customers and have scheduled the remaining customer meetings to be held in advance of the Customer Deadline. The Applicants will update the Court on the status of the Customer Condition in advance of the hearing.

VI. ADDITIONAL RELIEF SOUGHT

A. Releases

42. The proposed Approval and Reverse Vesting Order provides for the release of all claims against: (a) the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants (including the Company and ResidualCo); (b) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors; (c) the Buyer and its current and former directors, officers, employees, legal counsel and advisors; and (d) Deerfield and its current and former directors, officers, employees, legal counsel and advisors (the persons specified in (a) through (d) being, collectively, the "**Released Parties**").

43. Pursuant to the terms of the Approval and Reverse Vesting Order, the Released Parties shall be forever irrevocably released and discharged from any and all present and future claims, liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, Taxes (as defined in the Sale Agreement) or liabilities in respect of Taxes (including in each case, interest and penalties), recoveries, and obligations of any nature or kind whatsoever arising in connection with or relating, in whole or in part, directly or indirectly, to: (a) the terms or implementation of the Sale Agreement, the Transaction, or the Approval and Reverse Vesting Order; (b) the CCAA proceedings; or (c) any act, omission, transaction, dealing, occurrence, matter, circumstance, fact or thing existing or arising prior to the Closing Date in respect of or relating to any of the Applicants (including the Company and ResidualCo) or their respective assets, liabilities, obligations, business, affairs, administration or management (collectively, the "**Released Claims**").

44. The proposed releases do not release: (a) any claim against the current or former directors of the Applicants that is not permitted to be released pursuant to subsection 5.1(2) of the CCAA; or (b) any act or omission that is finally determined by a court of competent jurisdiction to have constituted actual fraud or willful misconduct on the part of any Released Parties.

45. The proposed releases are being sought, with the support of Deerfield, the Applicants' DIP Lender and largest secured creditor, the proposed Buyer and the Monitor, in order to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the current circumstances. In my view, the Released Parties have been and will continue to be

instrumental in advancing these CCAA proceedings and the Transaction for the benefit of a variety of stakeholders.

46. The Applicants also believe that the proposed releases are appropriate, given the significant and material contributions of the Released Parties in connection with the Transaction. The continued involvement, oversight and support of, among others, the Applicants' directors and officers, the Monitor, the proposed Buyer and Deerfield and their respective professional advisors have been critical to advancing the Applicants' restructuring efforts, which has resulted in a going concern transaction for the benefit of the Applicants' stakeholders.

47. To date, no stakeholder of the Applicants has made the Applicants or the Monitor aware that they intend to assert a claim against any of the Released Parties in respect of any of the Released Claims and, with the exception of an HST liability that is contemplated to be retained by the Company as part of the Transaction, the Applicants are current on their statutory remittances. I have recently become aware, however, that as a result of the existence of certain outstanding intercompany obligations owing between the Applicants (for which there is no ability to cash settle in light of the financial circumstances of the Applicants and the provisions of the ARIO), there is the possibility of withholding taxes being assessed against CPL and Glasshouse America. I understand that CPL Canada could be jointly and severally liable for any such withholding taxes, as well as penalties and interest for failing to withhold. I further understand that in certain circumstances and subject to various conditions, withholding taxes and associated penalties and interest can constitute a director liability. The proposed Approval and Reverse Vesting Order will vest out any liability for these potential withholding taxes, penalties and interest as against the

Company, and will release the directors of the Applicants from any liability for these potential claims, provided that recourse to any available insurance in this regard will be preserved.

48. In the circumstances, the Applicants believe that the proposed releases contemplated in the Approval and Reverse Vesting Order are an essential component of the Transaction.

B. Terminated Employee Fund Order

49. In addition to contemplating continuing employment for the vast majority of the Applicants' employees, the Sale Agreement also provides for the funding by the Buyer of a fund (the "**Terminated Employee Fund**") in the amount of CA$500,000 (or such greater amount as the Buyer shall determine in its sole discretion) to provide financial assistance to Terminated Employees.

50. The Terminated Employee Fund will be established upon the Closing Date and held and administered by the Monitor to provide financial assistance to Terminated Employees on a gratuitous, without prejudice basis, whereby each Terminated Employee will be paid a one-time payment (the "**Hardship Benefit**"), net of any applicable withholdings, taxes and deductions, which payment is conditioned on completing and signing an application form and release of claims in favour of, among others, the Applicants, the Monitor and the Buyer, on or before the Hardship Benefit Application Deadline (being 5:00 p.m. (Toronto time) on the date that is 40 days after the Closing Date). A copy of the escrow agreement establishing the Terminated Employee Fund, being the Terminated Employee Fund Escrow Agreement, is attached at Schedule A of the draft Terminated Employee Fund Order. The Monitor will serve as escrow agent under the Terminated Employee Fund Escrow Agreement.

51. The Hardship Benefit payable to each Terminated Employee will be the amount that is equal to each Terminated Employee's minimum statutory termination pay, and if applicable, statutory severance pay, under Ontario's *Employment Standards Act, 2000*, S.O. 2000, c. 41. The Hardship Benefit, which is subject to a potential *pro rata* reduction if total Hardship Benefits payable to Terminated Employees exceeds the amount of the Terminated Employee Fund, will be calculated by the Monitor in good faith solely based on the Terminated Employee information provided by CPL Canada, and such calculations shall be final, binding and non-appealable. At this time, it is not possible to estimate the amount of the Hardship Benefit payable to each Terminated Employee, but it is contemplated that the Monitor will calculate and provide notice of same to each Terminated Employee as soon as possible in the course of administering the Terminated Employee Fund as escrow agent.

52. Following the Hardship Benefit Determination Date contemplated under the Terminated Employee Fund Escrow Agreement, being the later of (a) sixty (60) days after the Closing Date and (b) the date that is fifteen (15) days following the Monitor obtaining clearance from Employment and Social Development Canada ("**ESDC**") to make all Hardship Benefit payments, any residual balance remaining in the Terminated Employee Fund shall be returned as soon as reasonably practicable by the Monitor to the Buyer, or as the Buyer may direct. If clearance from ESDC is not obtained with one hundred and twenty (120) days following the Closing Date (or such later date agreed to in writing by the Buyer and the Monitor, each in its sole discretion), then the entire Terminated Employee Fund shall be immediately repaid to the Buyer and no Terminated Employee shall be entitled to any Hardship Benefit payable thereunder.

53. In this context, the Applicants are seeking the Terminated Employee Fund Order which approves the Terminated Employee Fund Escrow Agreement and grants related relief. The proposed Terminated Employee Fund Order includes, among other things:

(a) a declaration that the Buyer and the Monitor (including in its capacity as escrow agent under the Terminated Employee Fund Escrow Agreement) shall not be deemed to be an employer or a common, related or successor employer of any Terminated Employee as a result of funding or administering the Terminated Employee Fund or otherwise as a result of any other matter pertaining to the Terminated Employee Fund Order or the Terminated Employee Fund Escrow Agreement; and

(b) provides a comprehensive release, effective upon the receipt of the amount of the Terminated Employee Fund by the Monitor as escrow agent, in favour of the Buyer, the Applicants (excluding, for the avoidance of doubt, ResidualCo) and the Monitor and each of their respective direct and indirect affiliates, associates, subsidiaries and parents, and all of their respective past and present shareholders, partners, directors, officers, employees, contractors, consultants, agents, representatives, trustees, administrators, lawyers, and insurers, from any claims the Terminated Employee may have against such releasees.

C. The Ancillary Relief Order

(i) Stay Extension

54. Pursuant to the Stay Extension Order, the Stay Period will expire on April 12, 2024. Additional time is required to complete the Transaction contemplated under the Sale Agreement,

if approved by this Court, and to otherwise advance next steps in these proceedings, including distributions to their secured creditors. The extension of the Stay Period contemplated in the proposed Ancillary Relief Order is necessary to provide the Applicants with the stability required during that time.

55. The Sale Agreement provides for an outside date of May 29, 2024. Accordingly, the Applicants are seeking an extension of the Stay Period to and including June 7, 2024. I understand that the Stay Period will terminate in respect of the Company upon closing of the Transaction; however, the CCAA proceedings and the Stay Period will continue in respect of the Remaining Applicants.

56. I believe that the Applicants have acted in good faith in these CCAA proceedings by pursuing the SISP in accordance with the SISP Approval Order and that the extension of the Stay Period will not unduly prejudice any of the Applicants' creditors. Furthermore, circumstances exist that make the extension of the Stay Period appropriate, as such extension will permit the Applicants to close the Transaction for the benefit of their stakeholders.

57. I understand that an updated cash flow forecast will be filed by the Monitor in connection with its Third Report to the Court, and that this updated cash flow forecast, taking into account the Transaction (including the Administrative Expense Reserve contemplated to fund the completion of these CCAA proceedings and other wind-down matters), will show that the Applicants are expected to have sufficient liquidity to continue these CCAA proceedings throughout the proposed extension of the Stay Period. I also understand that the Monitor is supportive of the proposed extension of the Stay Period.

(ii) Expansion of Monitor Powers

58. Upon closing of the Transaction, it is contemplated that all current directors and officers of the Remaining Applicants shall resign from their positions.

59. As noted above, pursuant to the Approval and Reverse Vesting Order, the Applicants comprising the Company shall cease to be Applicants in these CCAA proceedings effective upon the Closing Date; however, the Remaining Applicants shall not be released from the purview of these CCAA proceedings and are anticipated to be bankrupted or otherwise wound-down. As a result of the above-noted resignations, the Remaining Applicants will cease to have any directors, officers or employees (or, in the case of ResidualCo, no person will be appointed to act as a director or officer).

60. In light of the foregoing, the Ancillary Relief Order provides for the enhancement of the Monitor's powers as they relate to the Remaining CCAA Applicants, to be effective upon the Closing Date. In particular, the Ancillary Relief Order provides that the Monitor shall be 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, among other things, to: (a) cause the Remaining Applicants to take any and all actions and steps in order to facilitate the performance of any of the Remaining Applicants' powers or obligations (including as contemplated by the Sale Agreement and the Transaction); (b) cause the Remaining Applicants to retain the services of any person as an employee, consultant or other similar capacity; (c) 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 their property, or any other related activities; and (d) assign or cause any of the Remaining Applicants to be assigned into bankruptcy.

61. In the circumstances, I believe it is necessary, appropriate and efficient to enhance the Monitor's powers on the terms contemplated by the proposed Ancillary Relief Order.

(iii) Distribution of Sale Proceeds from the Transaction

62. The Applicants are requesting authority from the Court for the Applicants and the Monitor to make certain distributions from the net proceeds resulting from the closing of the Transaction to: (a) RBC in respect of the full amount of the Applicants' obligations outstanding under the RBC Loan Agreement; (b) EDC in respect of the full amount of the Applicants' obligations outstanding under the EDC Loan Agreement; and (c) Deerfield in respect of the full amount of the Applicants' obligations outstanding under the DIP Term Sheet and the Deerfield Facility Agreement.

63. I understand from the Monitor that counsel to the Monitor has reviewed the security granted by the Applicants in favour of each of RBC, EDC and Deerfield, and found their respective security to be valid and enforceable, subject to customary assumptions and qualifications.

64. Following consultation with the Monitor, the Applicants believe that the Administrative Expense Reserve to be funded under the Sale Agreement will be sufficient to enable the Monitor, on behalf of the Remaining Applicants, to address and fund any matters relating to the completion of these CCAA proceedings (including the Chapter 15 Recognition proceedings) following the closing of the Transaction.

65. Accordingly, I believe that authorizing the proposed distributions of the net proceeds from the Transaction such that they can occur forthwith following closing of the Transaction is reasonable and appropriate.

(iv) Payment of KERP, Transaction Fee and DIP Loan and Discharge of Associated Charges

66. Upon the closing of the Transaction, the Applicants will use borrowings under the DIP Loan to pay the Transaction Fee to the Financial Advisor and to pay all amounts owing to the beneficiaries of the KERP, all as previously authorized by this Court. In addition, in accordance with the Ancillary Relief Order, the Applicants will also use proceeds from the Transaction to repay the DIP Loan.

67. In light of the foregoing, the Applicants are seeking to have the Financial Advisor Charge, the KERP Charge and the DIP Lender's Charge released and discharged pursuant to the Ancillary Relief Order, in each case, effective upon completion of the relevant payments of the amounts secured by such charges.[2]

VII. CONCLUSION

68. The Applicants and their professional advisors, with the assistance and under the oversight of the Monitor, have undertaken extensive efforts pursuant to the Court-approved SISP to identify a transaction that maximizes value and otherwise benefits their stakeholders. These efforts have

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[2] All of the Charges will be vested out as against the Company and the Retained Assets pursuant to the Approval and Reverse Vesting Order. The Charges that are anticipated to remain in place following Closing (being the Administration Charge and the Director's Charge) will continue to attach to the property of the Remaining Applicants. In addition, the Administrative Expense Reserve will be held in trust by the Monitor for the benefit of persons entitled to be paid the Administrative Expense Costs.

resulted in the Applicants entering into the Sale Agreement, the approval of which is supported by the Monitor and Deerfield, as the DIP Lender and the Applicants' largest secured creditor.

69. In light of the foregoing, I believe that the relief sought by Applicants in connection with this motion is reasonable and appropriate in the circumstances.

SWORN before me by Jan Sahai stated as being located in the City of Mississauga in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on April 3, 2024, in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.

Erik Axell

A Commissioner for taking affidavits

Name: Erik Axell
LSO #: 85345O

Jan Sahai

Signed by: Jan Sahai
CEO
Date & Time: April 03, 2024 20:42:48 EDT

JAN SAHAI

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF JAN SAHAI
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 3RD DAY OF APRIL, 2024

Erik Axell

Commissioner for Taking Affidavits

Court File No. ____________________

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

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

AFFIDAVIT OF JAN SAHAI
(sworn December 14, 2023)

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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

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

AFFIDAVIT OF JAN SAHAI
(sworn December 14, 2023)

I, Jan Sahai, of the City of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

I. INTRODUCTION

1. I am the Chief Executive Officer ("**CEO**") of Contract Pharmaceuticals Limited Canada ("**CPL Canada**" and, collectively with the other Applicants, the "**Company**"). I have been employed by CPL Canada for over 18 years. I previously served as Vice President, Business Development from September 2005 to May 2022; interim CEO from June 1, 2022 to October 31, 2022; and was appointed CEO on November 1, 2022. In my role as CEO, I am responsible for major corporate decisions, managing overall operations, allocating capital, and setting the company's strategic direction under the oversight of the board of directors. As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true. I do not, and do not intend to, waive privilege by any statement herein.

2. This affidavit is made in support of an application by the Applicants for an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). Unless otherwise indicated, all monetary references in this affidavit are to U.S. dollars.

3. The Applicants consist of Contract Pharmaceuticals Limited ("**CPL**") and its wholly-owned direct and indirect subsidiaries, being: (i) CPL Canada Holdco Limited ("**CPL Canada HoldCo**"); (ii) CPL Canada; (iii) Glasshouse Pharmaceuticals Limited Canada ("**Glasshouse Canada**"); and (iv) Glasshouse Pharmaceuticals LLC ("**Glasshouse America**").

4. The Company's core business is that of CPL Canada, an industry-leading pharmaceutical contract development and manufacturing organization ("**CDMO**"). CPL Canada specializes in the development, manufacturing, packaging and testing of non-sterile liquid and semi-solid pharmaceutical and regulated over-the-counter products, and also provides laboratory services that include materials, product release and stability testing as well as product development services (the "**CPL Business**").

5. The Applicants have commenced these CCAA proceedings in order to stabilize the CPL Business, obtain urgently required interim debtor-in-possession ("**DIP**") financing, continue the implementation of their operational restructuring efforts, and to pursue a refinancing, sale and investment solicitation process ("**SISP**") with a view to identifying and completing the best transaction available to the Company.

6. The Company has limited remaining cash on hand, owes past due amounts to many of its suppliers and its largest funded debt obligation recently matured. As such, the relief sought on the initial CCAA application, including approval of interim DIP financing, is urgently required in order for the Company to maintain ongoing business operations and preserve the status quo.

7. If the CCAA application is granted, the Applicants intend to bring a motion within 10 days of the Initial Order (the "**Comeback Hearing**") seeking an amended and restated Initial Order (the "**ARIO**") and an order approving the SISP (the "**SISP Approval Order**").

II. OVERVIEW AND EVENTS LEADING TO THE CCAA FILING

8. Founded over 30 years ago, the Company is a world-class provider of contract development and full-service commercial manufacturing services for a broad spectrum of non-sterile liquid and semi-solid pharmaceutical products. Non-sterile liquids include suspensions, solutions, and nasal topical sprays, which are filled into bottles. Semi-solids include lotions, creams, ointments and gels filled into bottles, tubes and sachets.

9. Headquartered in Mississauga, Ontario, the Company has nearly 300 Canadian employees, manufactures over 30 unique formulas (with 17 more in development) and provides over a hundred different products for a range of pharmaceutical companies, including many of the top 20 global pharmaceutical companies as well as several specialty dermatology companies.

10. For years, the Company achieved consistent revenue and profitability from the CPL Business. However, beginning in 2016, several decisions were made that negatively impacted performance. In particular, from 2016 to 2021, the Company focused on top-line revenue growth, and CPL Canada accepted and/or retained large, unprofitable contracts with low or negative margins for over-the-counter pharmaceutical products.

11. To help meet its revenue growth aspirations, the Company also began exploring new product lines such as generic pharmaceuticals, new chemical entities and packaging, which led to the establishment of Glasshouse Canada and Glasshouse America (collectively "**Glasshouse**") in 2017 to operate the Company's generic pharmaceuticals business (the "**Glasshouse Business**").

To facilitate the launch and development of Glasshouse, and to fund the Company's general operational requirements, in 2018 the Company obtained the Deerfield Term Loan (as defined and discussed below) in the initial principal amount of $20,000,000.

12. Although the Company was successful in establishing the Glasshouse Business, the cost of producing, marketing and selling Glasshouse's generic pharmaceutical products ultimately proved to be uncompetitive relative to U.S. market prices, with Glasshouse suffering consistent losses since its inception. The issues with Glasshouse in turn eroded the Company's margins, distracted management from the core CPL Business, and has left the Company with a legacy debt burden which has impeded attempts to return to profitability. These issues were exacerbated by the onset of COVID-19 and the supply chain issues that followed, which negatively impacted the Company's ability to obtain necessary raw materials to continuously develop and produce products for current and new customers, in turn hampering its revenues.

13. The Company has taken a number of steps to begin to address these issues. In November 2022, I was appointed CEO and made several executive team changes, including replacing the then Vice President of Operations with a new Director of Operations. New management has refocused the Company on the CPL Business and its core competency as a CDMO. As part of these efforts, the Company strategically divested most of the assets of Glasshouse, and in January 2023 began implementing an operational turnaround plan to grow revenues, drive margin improvement and facilitate long-term growth.

14. Over the past year, the Company has been successful in cultivating a robust pipeline of new high-margin commercial pharmaceutical products while also optimizing legacy over-the-counter contracts resulting in substantial margin improvements. Management has also divested the Company's abbreviated new drug applications, initiated employee headcount rationalization

measures and limited capital expenditures, the cumulative effect of which has resulted in the Company returning to its historical positive EBITDA levels during the 2023 fiscal year. The Company's shareholders provided $7.05 million of equity financing in 2022 and 2023 to support these turnaround efforts and strengthen the Company's balance sheet.

15. Despite these operational restructuring efforts and the financial support of its shareholders, the Company, burdened by the significant interest expense of its debt obligations and suppressed availability on its operating line of credit, has continued to struggle to support its ongoing working capital requirements, leading to stretched trade payables and increasingly constrained liquidity. At present, the Company owes approximately $7.6 million to its suppliers, $5.2 million of which is past due, and now has less than $1.5 million of cash on hand. The Company's shareholders have advised that they are not prepared to provide additional equity injections at this juncture.

16. In addition to its liquidity issues, the Company's most significant funded secured debt obligation, the Deerfield Term Loan, recently matured and the Company is in default under the EDC Term Loan (as defined and discussed below). Further, the Company's RBC Operating Facility (as defined and discussed below) is a demand facility and RBC has advised the Company that it would like to be repaid the amounts owing to it and exit its lending arrangements with the Company. The Company does not currently have the ability to repay these secured debt obligations, which total in excess of $34 million.

17. In anticipation of these issues, in February 2023, the Company engaged a financial advisor to assist in exploring a range of strategic alternatives. Although a new potential lender was identified that was prepared to refinance the RBC Operating Facility and the EDC Term Loan, the proposal would have required Deerfield (as defined below) to extend the Deerfield Term Loan and agree to new intercreditor terms, which was not acceptable to Deerfield.

18. In October 2023, the Company engaged SSG Capital Advisors, LLC ("**SSG**") to further assist it in exploring strategic alternatives in consultation with its stakeholders, including a refinancing and/or raising additional capital. Although several parties expressed interest in a potential transaction, a definitive transaction has not yet been identified. In light of the Company's limited remaining cash on hand, in recent weeks the Company also began exploring incremental financing options (including potential DIP financing) with the assistance of SSG and the proposed Monitor, KSV Restructuring Inc. ("**KSV**").

19. Following careful consideration of its available options and alternatives with the assistance of its financial and legal advisors, the Company has determined that the best path to maximize stakeholder value and preserve the Company as a going-concern is to commence these CCAA proceedings, obtain DIP financing from Deerfield and continue its efforts to explore a refinancing or other strategic transaction in the context of a Court-supervised SISP.

20. Accordingly, the Applicants seek an Initial Order, providing for, among other relief: (a) a stay of proceedings for an initial 10-day period (the "**Initial Stay Period**"); (b) authorization to enter into the DIP Term Sheet and borrow under the DIP Loan (each as defined below) in the maximum principal amount of $1,500,000 for the Initial Stay Period; and (c) the granting of the following priority charges (collectively, the "**Charges**") over the Applicants' Property (as defined in the Initial Order), listed in order of priority: (i) the Administration Charge (as defined below) up to a maximum amount of CA$375,000; (ii) the Directors' Charge (as defined below) up to a maximum amount of CA$1,801,000; and (iii) the DIP Lender's Charge (as defined below) up to a maximum amount of $1,500,000 (plus interest, fees and expenses), provided that the DIP Lender's Charge shall be subordinate to the security interests granted by the Applicants to each of RBC and

EDC in connection with the RBC Loan Agreement and the EDC Loan Agreement, respectively (collectively, the "**RBC/EDC Security**").

21. If the proposed Initial Order is granted, at the Comeback Hearing the Applicants intend to seek the ARIO, among other things:

(a) extending the stay of proceedings until and including March 22, 2024, and granting other customary Comeback Hearing relief under the CCAA;

(b) increasing the maximum principal amount that the Applicants can borrow under the DIP Loan to $6,000,000;

(c) increasing the maximum amounts of the Administration Charge to CA$600,000, the Directors' Charge to CA$2,306,000, and the DIP Lender's Charge to $6,000,000 (plus interest, fees and expenses payable in accordance with the terms of the DIP Term Sheet);

(d) approving a key employee retention program (the "**KERP**") and the granting of a charge on the Property for the benefit of the key employees referred to in the KERP up to a maximum amount of CA$998,311 (the "**KERP Charge**");

(e) approving the Financial Advisor's (as defined below) engagement letter and granting the Financial Advisor Charge (as defined below); and

(f) granting priority to the Charges over any secured creditor who did not receive notice of the application for the Initial Order.

22. In addition, at the Comeback Hearing the Applicants also intend to seek the SISP Approval Order, among other things, approving the SISP and authorizing the Applicants, the Monitor, and SSG as financial advisor to the Applicants in these proceedings (in such capacity, the "**Financial Advisor**"), to implement the SISP pursuant to its terms.

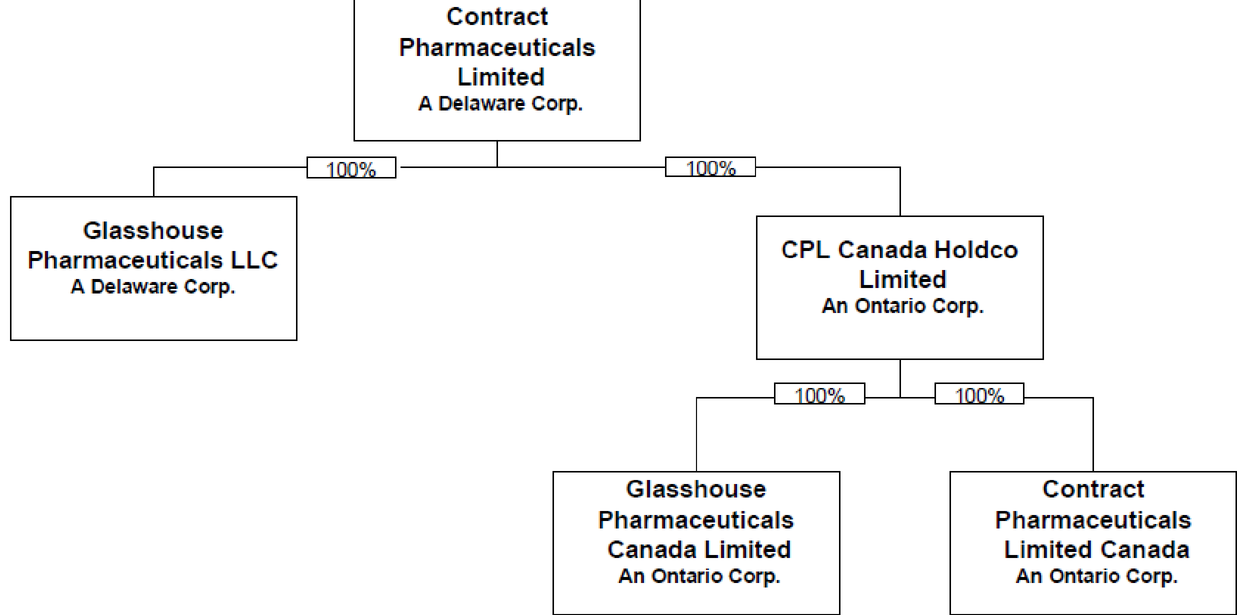
23. The CCAA proceedings and the relief outlined herein are in the best interests of the Applicants and their stakeholders and, in light of the Company's liquidity position and current inability to repay its funded debt, present the only viable means of preserving the CPL Business as a going-concern for the benefit of stakeholders, including its almost 300 employees located in Ontario.

III. BACKGROUND REGARDING THE COMPANY AND THE BUSINESS OF THE APPLICANTS

A. Corporate Structure

(i) Overview

24. An organizational chart outlining the Company's corporate structure is set forth below.



(ii) Contract Pharmaceuticals Limited (CPL)

25. CPL, the privately-held parent company of the Applicants, is incorporated under the laws of Delaware with a registered head office located at 7600 Danbro Crescent, Mississauga, Ontario (the "**Mississauga HQ**"). CPL is a holding company and its main assets are its 100% ownership interests in its subsidiaries, although it also maintains a bank account with the Royal Bank of Canada ("**RBC**") in Canada with approximately $140,000 on deposit and holds a loan receivable from an employee of CPL Canada based in Canada.

(iii) CPL Canada Holdco Limited (CPL Canada HoldCo)

26. CPL Canada HoldCo is a company incorporated under the laws of Ontario with its registered head office at the Mississauga HQ. CPL Canada Holdco is a holding company and its main assets are its 100% ownership interests in CPL Canada and Glasshouse Canada.

(iv) Contract Pharmaceuticals Limited Canada (CPL Canada)

27. CPL Canada is a company incorporated under the laws of Ontario with its registered head office at the Mississauga HQ. CPL Canada is the main operating entity of the Company and holds substantially all of its assets. The business and operations of CPL Canada are discussed in greater detail below.

(v) Glasshouse Pharmaceuticals Limited Canada (Glasshouse Canada)

28. Glasshouse Canada is a company incorporated under the laws of Ontario with its registered head office at the Mississauga HQ. Glasshouse Canada was the main operating entity of the Glasshouse Business. As described below, the core assets of Glasshouse have been sold and Glasshouse Canada is in the process of being wound down with its few remaining customers being

transferred to CPL Canada. Glasshouse Canada still owes amounts to its suppliers and has various residual assets, including accounts receivable due to it.

(vi) Glasshouse Pharmaceuticals LLC (Glasshouse America)

29. Glasshouse America is incorporated under the laws of Delaware with its registered head office at the Mississauga HQ. Glasshouse America facilitated the commercialization of the Glasshouse Business in the United States. Although Glasshouse America does not currently have any active business operations, various Medicare and Medicaid rebates and wholesaler charge backs, as well as relationships with a third party logistics supplier for product returns continue to be processed through Glasshouse America as a result of its historical operations. Glasshouse America maintains bank accounts in Canada with RBC and Toronto-Dominion Bank ("**TD**") with approximately $20,000 on deposit at this time.

B. The CPL Business

(i) Products

30. As referenced above, the Company's core and only remaining operating business is the CPL Business. CPL Canada specializes in the development, manufacturing, packaging, filing and testing of non-sterile liquid and semi-solid pharmaceutical and regulated over-the-counter products.

(a) ***Non-Sterile Liquids****:* Non-sterile liquids are suspensions, solutions, nasal and topical sprays. Sample applications include immunologic disorders, pain management, cough and cold, hair growth, nail infections, chronic allergies, nasal polyps and digestive issues.

(b) ***<u>Non-Sterile Semi Solids</u>***: Non-sterile semi solids are lotions, creams, ointments and gels. Sample applications include skin conditions including psoriasis, pain management, wound care and hormone therapy.

31. CPL Canada produces more than 6 million tubes, 4 million bottles, and 2 million sachets of product per year. Of the products CPL Canada develops and manufactures, 85% are prescription products, with 20% of those being oral liquids (suspension solutions), 15% nasal sprays (multi dose), and 65% topicals (creams, lotions, ointments and gels).

32. CPL Canada has unique capabilities as it has significant expertise in handling hormones (both male and female), corticosteroids, permethrin-based products for the treatment of lice, alcohol-containing products, and light sensitive products. Since 2012, CPL Canada has been contracted on over 80 abbreviated new drug application and new drug application projects submitted to the U.S. Food and Drug Administration ("**FDA**"), resulting in 14 FDA approved products and another 16 drug application submissions under review with the FDA.

(ii) Operations

33. CPL Canada offers product development, commercial manufacturing, packaging and testing services all under one roof, meaning that it works with its customers from concept to commercialization. To achieve this, CPL Canada has two state of the art analytical (laboratory) and production facilities located at its corporate park in Mississauga, Ontario, both of which are registered with the FDA and Health Canada. These facilities provide a centralized operation for manufacturing, packaging and warehouse operations which is essential to meet the needs of CPL Canada's customers.

34. CPL Canada is a full service CDMO and is the sole source supplier for more than 70% of its customers. If CPL Canada is not able to manufacture its sole-sourced products, patient care in Canada and abroad is highly likely to be negatively affected as customers would be unable to source products from alternative supplier in the near to medium term.

(iii) Suppliers

35. There are four principle types of suppliers the Company works with as it relates to the manufacturing and packaging of its products. The first type supplies active pharmaceutical ingredients ("**API**") which are unique to each product (e.g. oestrogen) and cannot be substituted as health regulatory agencies do not allow for the substitution of one source of API for another without a product undergoing further clinical tests and other regulatory steps. The second group consists of suppliers of non-API ingredients in product formulas, which again cannot be readily substituted due to regulatory requirements. The third type supplies the "primary" packaging (*i.e.*, packaging that touches the product such as bottles, tubes and caps) and the fourth type consists of suppliers of secondary packaging (*e.g.* certain foil pouches and cartons), most of which are proprietary to a particular product and/or customer. All four types of suppliers are critical to the Company's ability to manufacture, package and supply products to its customers in the normal course and are not readily replaceable owing to the regulatory and proprietary issues described above. Certain of these suppliers are also located outside of the United States and Canada.

36. It is vital to the preservation of the CPL Business that the Company is able to continue its relationships with these key suppliers without disruption and on existing trade terms while the Company pursues its restructuring efforts. Accordingly, the proposed Initial Order authorizes the Company to pay pre-filing amounts to suppliers, with the consent of KSV and the DIP Lender (as defined below).

(iv) Customers

37. CPL Canada has a diverse customer base of global, mid-size, and growth stage pharmaceutical companies. CPL Canada's customers include all of the top pharmaceutical companies with non-sterile liquid/semi solid portfolios, including Taro Canada, Johnson & Johnson, GSK, Pfizer, Apotex, Sanofi, Eli Lilly, Endo, and Allergan. CPL Canada's commitment to quality, efficiency and innovation has allowed it to establish long-standing relationships with its customers, including acting as a sole source product supplier for more than 70% of its customers. It has also allowed CPL Canada to become entrenched and strategically important to its customers' supply chains, as these customers rely solely on CPL Canada to be able to manufacture their non-sterile liquid/semi solid products. Moving product from one CDMO to another takes years and is fraught with regulatory and technical risk, potentially risking patient access to important prescription medications.

38. Certain arrangements the Company has with some of its customers permit wholesaler charge backs, or require the Company to pay rebates to customers in the event that they meet certain volume based criteria under their respective contracts. The Company is also required to pay Medicare and Medicaid rebates from time to time. These obligations are not material to the Company's financial position, and, in the case of any volume rebates, are not anticipated to be due until well into 2024. The Company believes it is in its best interests and those of its stakeholders to continuing making these payments in the normal course to avoid any potential impact on its customer relationships that may result if the Company did not pay them.

(v) Employees

39. CPL Canada presently employs approximately 289 individuals across 22 departments, all of whom are full-time, salaried employees that work out of CPL Canada's facilities in Mississauga,

Ontario. The Company has no unionized employees and does not maintain any registered pension plans.

40. CPL Canada's employees are paid bi-weekly, one week in arrears. As of the date of this affidavit, CPL Canada is current on its payroll obligations, including all source deductions. Each December, the Company typically makes modest increases to employee compensation to reflect updated market conditions. This year's increase will take effect on the Company's December 29, 2023, payroll. CPL Canada also provides health, dental and other employee benefits through a third-party insurance provider.

41. CPL offers a deferred profit sharing plan (the "**DPSP**") and a retirement savings plan (the "**RSP**") for its employees. CPL makes employer contributions to the DPSP equal to 2% of an employee's earnings, funded bi-weekly. In addition, it matches employee contributions to the RSP to a maximum of 2% of an employee's earnings. The Company does not owe any amounts in respect of the DPSP or the RSP at present. The Company has also previously issued stock options to certain key management employees.

IV. FINANCIAL POSITION

A. Financial Statements

42. The Company prepares financial statements that report the financial position of CPL and its subsidiaries on a consolidated basis.

43. The fiscal year end of the Company is October 31. Copies of the Company's audited financial statements for the year ended October 31, 2022 (the "**2022 Financials**"), and unaudited financial statements for the year ended October 31, 2023 (the "**2023 Financials**") are attached

hereto as Exhibits “A” and “B”, respectively. Both the 2022 Financials and 2023 Financials reflect that the liabilities of the Company exceed its assets.

B. Assets

44. As at October 31, 2023, the Company’s assets had an unaudited book value of approximately $43.9 million, consisting of the following:

Current Assets	
Cash & Equivalents	$1.5 million
Accounts Receivable, net	$10.3 million
Inventory	$14.4 million
Prepaid Expenses and Other Assets	$1.7 million
Long-Term Assets	
Plant, Property & Equipment, net	$15.6 million
Goodwill & Intangible Assets	$0.4 million
Total Assets	$43.9 million

C. Liabilities

45. As at October 31, 2023, the Company’s liabilities had an unaudited book value of approximately $52.3 million.

D. Funded Debt Obligations

(i) Overview

46. The Company is party to four credit facilities, which are summarized in the following table and described in greater detail in the paragraphs that follow:

Debt Obligation	Principal Amount Outstanding as at Nov. 30, 2023 (approximately)	Maturity	Borrower(s)	Guarantor(s)	Secured	Priority
RBC	$5,311,373	Demand	CPL Canada	CPL	Yes	**1st** on all assets of

Debt Obligation	Principal Amount Outstanding as at Nov. 30, 2023 (approximately)	Maturity	Borrower(s)	Guarantor(s)	Secured	Priority
Operating Facility		facility		(unsecured) CPL Canada HoldCo (secured)		CPL Canada (excluding equipment) **1st** on equity of CPL Canada held by CPL Canada HoldCo **2nd** on equipment of CPL Canada
EDC Facility	$4,968,632	May 10, 2025	CPL Canada	CPL Canada HoldCo (unsecured)	Yes	**1st** on equipment of CPL Canada **3rd** on assets other than equipment of CPL Canada
Deerfield Term Loan	$24,319,118	December 6, 2023	Glasshouse Canada	CPL (secured) CPL Canada HoldCo (secured) CPL Canada (secured) Glasshouse America (secured)	Yes	**1st** on assets of CPL, Glasshouse Canada and Glasshouse America **1st** on equity of Glasshouse Canada held by CPL Canada HoldCo **2nd** on assets of CPL Canada (excluding equipment) **2nd** on equity of CPL Canada held by CPL Canada HoldCo **3rd** on equipment of CPL Canada
Fed Dev Loan	$4,259,427	June 1, 2027	CPL Canada	CPL Canada HoldCo (unsecured)	No	
TOTAL	**$38,858,550**					

(ii) RBC Operating Facility

47. CPL Canada, as borrower, is party to a credit agreement with Royal Bank of Canada (“**RBC**”) dated November 22, 2017 (as amended, the “**RBC Loan Agreement**”), pursuant to which RBC has made available to CPL Canada a revolving loan operating facility, due on demand (as amended, the “**RBC Operating Facility**”). The original availability under the RBC Operating

Facility was CA$19,500,000 (subject to a borrowing base calculation), which has since been reduced to CA$7,500,000. As at November 30, 2023, approximately CA$7,214,000 of principal was outstanding under the RBC Operating Facility. Interest on the RBC Operating Facility is calculated as the Canadian prime rate plus 0.5% on prime rate based loans and LIBOR plus 2.75% on LIBOR-based loans in U.S. dollars.

48. Over the past several months, the Company's borrowing base calculation under the RBC Operating Facility, which is reviewed and calculated together with RBC, has reflected suppressed availability in the range of CA$4 million, although the most recent calculation as at October 31, 2023, reflected suppressed availability of CA$6.7 million. The Company has requested that RBC permit it to borrow additional funds under the RBC Operating Facility, but RBC has not permitted it to do so. A copy of the RBC Loan Agreement and the amendments thereto is attached as Exhibit "C".

49. The RBC Operating Facility is guaranteed by each of CPL and CPL Canada HoldCo. Each of CPL Canada and CPL Canada HoldCo granted RBC a security interest in substantially all of their assets as security for the obligations under the RBC Operating Facility. RBC has a first ranking security interest in substantially all assets of CPL Canada (excluding equipment) and in the equity of CPL Canada held by CPL Canada HoldCo, and a second ranking security interest in all equipment of CPL Canada. The CPL guarantee to RBC is unsecured.

50. As previously indicated, RBC has advised the Company that it wishes to be repaid the amounts outstanding under the RBC Operating Facility and exit its lending arrangements with the Company. On December 4, 2023, RBC delivered a notice of default and reservations of rights letter to CPL Canada notifying CPL Canada that one or more events of default under the RBC Loan Agreement has occurred and is continuing to occur.

51. Attached as Exhibit "D" is a summary of the *Personal Property Security Act* (Ontario) ("**PPSA**") registrations against CPL Canada HoldCo as at December 11, 2023, and against CPL Canada, and Glasshouse Canada as at December 12, 2023 ("**PPSA Search Summary**"). The PPSA Search Summary shows that RBC has a first in time registration against each of CPL Canada and CPL Canada HoldCo in respect of all classes of collateral excluding consumer goods.

(i) EDC Term Loan

52. CPL Canada is party to a credit agreement with Export Development Canada ("**EDC**") dated March 6, 2018 (as amended, the "**EDC Loan Agreement**") pursuant to which EDC made available to CPL Canada a term loan facility with a maximum borrowing limit of $15,000,000 (the "**EDC Term Loan**"). The EDC Term Loan bears interest at U.S. prime rate plus 2.5% per annum, payable monthly in cash. The outstanding principal under the EDC Term Loan is due in monthly installments through May 2025. As of November 30, 2023, approximately $4,968,632 of principal was outstanding under the EDC Loan Agreement. The Company stopped payment on a scheduled repayment installment of $311,535 that was to be made to EDC on December 11, 2023. A copy of the EDC Loan Agreement and the amendments thereto is attached as Exhibit "E".

53. The EDC Term Loan is guaranteed by CPL Canada HoldCo on an unsecured basis. CPL Canada has granted a security interest in substantially all of its assets as security for the obligations under the EDC Term Loan. EDC has a first ranking security interest in all of the equipment of CPL Canada and a third ranking security interest in substantially all other assets of CPL Canada.

54. The PPSA Search Summary shows that EDC has a second in time registration against CPL Canada in respect of all classes of collateral excluding consumer goods.

(ii) Deerfield Term Loan

55. Glasshouse Canada, as borrower, is party to a facility agreement with, among others, Deerfield Private Design Fund IV, L.P., as agent and lender, and Deerfield Private Design Fund III, L.P., as lender (together, "**Deerfield**") dated December 6, 2018 (as amended, the "**Deerfield Facility Agreement**"), pursuant to which Deerfield made available to Glasshouse Canada a non-revolving term loan in an initial principal amount $20,000,000 (the "**Deerfield Term Loan**"). The Deerfield Term Loan matured on December 6, 2023, and accrues interest at a rate of: (i) 6.5% per annum on the initial principal amount; and (ii) 10% per annum on a portion of interest and fees that was capitalized, with interest payable quarterly. Deerfield also holds certain warrants and contingent value rights ("**CVRs**") granted as consideration in connection with the Deerfield Facility Agreement. As at November 30, 2023, $24,319,118 of principal (excluding capitalized interest of approximately $295,000) was outstanding under the Deerfield Term Loan. A copy of the Deerfield Facility Agreement (excluding the schedules) and the amendments thereto is attached hereto as Exhibit "F".

56. The obligations of Glasshouse Canada under the Deerfield Facility Agreement are guaranteed by each of the other Applicants. Among other security, each of CPL, CPL Canada HoldCo, CPL Canada, Glasshouse America and Glasshouse Canada have granted Deerfield a security interest in substantially all of their assets pursuant to a United States guaranty and security agreement and a general security agreement and guarantee, each dated December 6, 2018. In addition, pursuant to a limited recourse guaranty and security agreement dated December 6, 2018, certain shareholders of CPL holding, collectively, 73% of the issued and outstanding shares of CPL, pledged their equity interests in CPL as security for the obligations owed under the Deerfield

Facility Agreement and CVRs, with no recourse available against them, except for enforcement on the shares of CPL.

57. The PPSA Search Summary shows that Deerfield has a second in time registration against CPL Canada HoldCo, a first in time PPSA registration against Glasshouse Canada, and a third in time registration against CPL Canada in respect of all classes of collateral excluding consumer goods.

58. Attached as Exhibit "G" is a summary of the Uniform Commercial Code (Delaware) ("**UCC**") registrations against each of CPL US Holdco and Glasshouse America as at December 6, 2023 ("**UCC Search Summary**"). The UCC Search Summary shows that Deerfield has registrations against each of CPL and Glasshouse America in respect of all assets.

(iii) Fed Dev Loan

59. CPL Canada is a party to a contribution agreement with His Majesty the King in Right of Ontario, as represented by the Minister of Infrastructure for Federal Economic Development Agency for Southern Ontario ("**Fed Dev**") (as successor to Her Majesty the Queen in Right of Ontario, as represented by the Minister of Infrastructure for Federal Economic Development Agency for Southern Ontario) dated March 16, 2015 (the "**Fed Dev Agreement**") pursuant to which Fed Dev agreed to contribute funding for 25% of new capital expenditures made by CPL Canada up to CA$8,992,672 (the "**Fed Dev Loan**"). The Fed Dev Loan is repayable in 90 installments on an interest free basis pursuant to a payment schedule, with the final installment due on June 1, 2027. As of November 30, 2023, $4,184,000 is owing under the Fed Dev Loan. A copy of the Fed Dev Agreement is attached hereto as Exhibit "H".

60. The Fed Dev Loan is unsecured and CPL Canada's obligations under it are guaranteed by CPL Canada HoldCo on an unsecured basis.

(iv) Intercreditor Agreements

61. RBC, Deerfield and the Applicants, among others, are party to an intercreditor agreement dated December 6, 2018 (the "**RBC Intercreditor Agreement**"), and RBC, EDC, Deerfield and CPL Canada are party to a separate intercreditor agreement dated December 6, 2018 (the "**EDC Intercreditor Agreement**" and, collectively with the RBC Intercreditor Agreement, the "**Intercreditor Agreements**"). The Intercreditor Agreements, copies of which are attached as Exhibit "I", set forth the respective priorities of the lenders to the collateral pledged by the Applicants as set forth in the preceding paragraphs.

E. Trade Creditors

62. The Company purchases goods and services in the normal course of business to facilitate the production of goods and the administration of the Company. Payment terms have historically been 30 days from the invoice date; however, the Company has been paying certain vendors in excess of 90 days from invoice date. As a result, certain vendors are requiring payment of aged invoices prior to shipping or providing services and some are requiring payment for goods before the shipment is released to the Company due to previous and ongoing delays in payments. At present, amounts owed to trade creditors total approximately $7.6 million, with $5.2 million being past due and $1.5 million being more than 60 days past due.

F. Leased Real Property

63. The Company leases two facilities at its corporate park in Mississauga, Ontario: its headquarters, manufacturing and warehouse facility located at the Mississauga HQ, and its quality

control and administrative functions facility located at 2145 Meadowpine Blvd. (the "**Meadowpine Property**"). The Mississauga HQ lease and Meadowpine Property lease were set to expire in June 2024, but renewals were recently executed extending both leases through 2034.

V. RELIEF SOUGHT AT THE INITIAL APPLICATION

A. The Applicants are Insolvent

64. As reported in both the 2022 Financials and the 2023 Financials, the book value of the Company's liabilities exceeds the book value of its assets. Of note in this regard, the vast majority of the Company's liabilities are its funded debt obligations, most of which are either due, in default or, in the case of the RBC Operating Facility, repayable on demand. Each of the Applicants is either a borrower or guarantor of some or all of these debts. The Company is not currently in a position to repay any of the amounts outstanding under the RBC Operating Facility, the EDC Term Loan or the Deerfield Term Loan, and, in light of the Company's current circumstances, there is no realistic prospect of refinancing them outside of a formal restructuring process.

65. Additionally, as described above, the Company has limited remaining liquidity to operate its business and has significantly stretched its trade payables. While the Company's shareholders have provided additional capital over the course of the past year to assist with its liquidity and fund restructuring efforts, they have indicated that they are not prepared to provide additional funding at this juncture. Absent obtaining alternative financing in the near term, the Company will be unable to meet its obligations as they fall due in the normal course.

66. In light of the foregoing, the Applicants are insolvent both on a balance sheet test and as a result of a liquidity crunch.

B. Stay of Proceedings

67. The Applicants require a CCAA stay of proceedings in light of their financial circumstances. Without the benefit of a CCAA stay of proceedings, there could be an immediate and significant erosion of value to the detriment of stakeholders. In particular, the Applicants are mindful of the following risks, which could materialize without the benefit of a broad stay of proceedings and other protective relief under the CCAA and the proposed Initial Order: (a) suppliers ceasing to supply or tightening payment terms in a manner that further exacerbates liquidity challenges; (b) suppliers and debt holders commencing legal action to recover amounts owing to them; (c) customers terminating agreements or exploring alternative potential suppliers; (d) the potential termination of other agreements that are critical to the operations of the Applicants' business; and (e) disruptions to patient supply in light of the foregoing operational risks.

68. The Applicants are seeking CCAA protection to, among other things, obtain the funding and forum necessary to enable the Applicants to continue operations in the normal course, undertake the SISP with the assistance of the Financial Advisor and the proposed Monitor, seek approval of the Successful Bid (as defined below) at the conclusion of the SISP and, if approved by the Court, complete the transaction contemplated by the Successful Bid, all for the benefit of the Applicants and their stakeholders. The Applicants are therefore requesting a stay of proceedings for the Initial Stay Period, and expect to seek an extension of the stay through the period the SISP will be conducted until the consummation of a Successful Bid and the termination of these CCAA proceedings.

C. Cash Flow Forecast and DIP Financing

69. As indicated in the cash flow forecast attached to the pre-filing report of KSV as proposed Monitor (the "**Cash Flow Forecast**"), the Applicants will require access to additional funding while undertaking the SISP and working to implement a transaction. The Applicants' principal use of cash during these CCAA proceedings will consist of costs associated with the ongoing operation of the CPL Business, including, among other things, employee compensation, supplier payments, lease payments and general administrative expenses. In addition to these normal course operating expenditures, the Applicants will also incur professional fees and disbursements in connection with these CCAA proceedings, including the SISP.

70. As described previously, to date the Company has been unable to secure additional financing. In light of the foregoing, and in addition to continuing to explore potential out of Court financing options, over the past several weeks, the Company, with the assistance of the Financial Advisor and the proposed Monitor, solicited expressions of interest in providing DIP financing from a variety of prospective lenders, including both current lenders to the Company and new potential lenders. Four expressions of interest were received and considered by the Company in consultation with its advisors. Ultimately, the Company selected the DIP proposal from Deerfield as representing the best alternative in the situation, including because Deerfield was the only potential DIP lender prepared to provide DIP financing that was junior to the RBC/EDC Security.

71. Accordingly, CPL Canada, as borrower, and each of the other Applicants, as guarantors, have entered into a term sheet (the "**DIP Term Sheet**") with Deerfield, as lender (in such capacity, the "**DIP Lender**") dated December 14, 2023, pursuant to which Deerfield has agreed to fund a loan (the "**DIP Loan**") in a maximum principal amounts of $6,000,000. The DIP Term Sheet provides for an initial authorized advance of up to the maximum amount of $1,500,000 for use

during the Initial Stay Period, with the remaining amount to be available if such borrowing is authorized by the Court at the Comeback Hearing (subject to the terms of the DIP Term and the Cash Flow Forecast).

72. Based on the Cash Flow Forecast, the DIP Loan is expected to provide the Applicants with sufficient liquidity to continue their business operations in the ordinary course during these CCAA proceedings while conducting the SISP for the benefit of the Applicants and their stakeholders.

73. The DIP Term Sheet contemplates the granting of a super-priority Court-ordered charge over the Property (the "**DIP Lender's Charge**") to secure the obligations outstanding from time to time in connection with the DIP Loan, provided that the DIP Lender's Charge will be junior to the RBC/EDC Security. The DIP Lender's Charge will not secure any obligation that existed prior to the date of the Initial Order. Given the current financial circumstances of the Applicants, Deerfield has indicated that it is not prepared to advance additional funds without the security of the DIP Lender's Charge, including the proposed priority thereof.

74. The material terms of the DIP Term Sheet are summarized in the below table. Capitalized terms used in the below table that are not otherwise defined herein have the meaning given to such terms in the DIP Term Sheet, a copy of which is attached hereto as Exhibit "J".

Summary of Certain Key Terms of the DIP Loan	
Parties	• CPL Canada, as borrower, and CPL, CPL Canada HoldCo, Glasshouse Canada and Glasshouse America, as guarantors (collectively with the borrower, the "**Obligors**").
Maximum Availability	• $6,000,000.
Interest	• 12.5% per annum (provided that, following a default, the rate of interest is increased by 2.0% per annum on any overdue amounts). • Payable in cash on the aggregate outstanding principal, compounded monthly, and payable monthly in arrears in cash on the last Business Day of each month.

Summary of Certain Key Terms of the DIP Loan	
Fees	• The Borrower shall pay to the DIP Lender a commitment fee equal to (i) 3.0% of the principal amount of the Initial Advance, earned on the commencement of the CCAA Proceedings plus (ii) 3.0% of the remaining Facility Amount (excluding, for certainty, the principal amount of the Initial Advance) on the granting of the ARIO.
Costs and Expenses	• The Borrower is responsible for all reasonable and documented fees, costs and expenses of the DIP Lender (including fees and expenses of legal counsel and financial advisor to the DIP Lender) incurred in connection with the DIP Term Sheet and these CCAA proceedings.
Use of Funds	• Proceeds of the DIP Loan are to be used for (i) professional fees and disbursements associated with the CCAA Proceedings, (ii) the DIP Lender Expenses, (iii) operating expenses of the Obligors necessary for the preservation of the business and assets during these CCAA Proceedings, and (iv) other fees and interest owing to the DIP Lender under the DIP Term Sheet.
Maturity	• The DIP Loan will mature on the earliest to occur of (i) April 30, 2024, (ii) the consummation of a transaction pursuant to the SISP, and (iii) early termination by the DIP Lender upon an Event of Default.
Certain Key Conditions Precedent to Initial Advance	• Conditions precedent to the initial advance include (i) execution and delivery of the DIP Term Sheet, (ii) the DIP Lender's satisfactory prior review of materials to be filed in the CCAA Proceedings, (iii) issuance of the Initial Order, (iv) the granting of the DIP Lender's Charge, (v) that there shall be no Liens ranking *pari passu* with or in priority to the DIP Lender's Charge over the property and assets of the Obligors, other than the Permitted Liens, (vi) the accuracy of all representations and warranties provided by the Obligors, (vii) the absence of any Event of Default, and (viii) payment of the DIP Lender Expenses.
Certain Key Conditions Precedent to Subsequent Advances	• Conditions precedent to subsequent advances include (i) the DIP Lender's satisfactory prior review of materials to be filed in connection with the motion for the ARIO and SISP Order, (ii) issuance of the ARIO and SISP Order, (iii) that neither the ARIO and SISP Order shall have been stayed, vacated or otherwise amended, restated or modified without the consent of the DIP Lender, (iv) that there shall be no Liens ranking *pari passu* with or in priority to the DIP Lender's Charge over the property and assets of the Obligors, other than the Permitted Liens, (v) the representations and warranties made by the Obligors under the DIP Term Sheet are true and correct, (vi) the absence of any Event of Default, and (vii) payment of the DIP Lender Expenses.

Summary of Certain Key Terms of the DIP Loan	
Events of Default	• Events of Default include (i) non-payment of any principal when due, (ii) non-payment of interest within two (2) Business Days of becoming due, (iii) non-payment of costs, fees, expenses of the DIP Lender within five (5) Business Days of receiving an invoice, (iv) the Borrower's material failure to perform or observe any obligations or covenants, including failure to meet a SISP Milestone or failure to deliver a Variance Report within one (1) Business Day of when due, (v) any material misrepresentation by the Borrower, (vi) the termination of the CCAA Proceedings (or the stay issued therein), (vii) the appointment of any receiver, receiver-manager, interim receiver, trustee in bankruptcy, proposal trustee or similar trustee, assignment in bankruptcy, or the making of a bankruptcy order against or in respect of any Obligor, (viii) any change to the priority of the DIP Lender's Charge, (ix) any order is made pursuant to the CCAA proceeding that contravenes the DIP Term Sheet or the DIP Lender's Charge , and (x) as at the due date of any Variance Report, there shall exist a net negative variance from the DIP Budget in excess of 15% (excluding from such calculation any variance in the DIP Lender Expenses and/or the fees and expenses payable to the Monitor and its counsel) (the "Permitted Variance") in either (i) consolidated receipts or (ii) consolidated disbursements, in either case on a cumulative basis since the beginning of the period covered by the then-current DIP Budget.
Security and DIP Lender's Charge	• The Borrower's obligations under the DIP Loan shall be secured by the DIP Lender's Charge, which covers all present and future assets, property and undertaking of the Obligors.
Priority of the DIP Charge	• The DIP Lender's Charge shall rank in priority to all other security interests, encumbrances and charges except for (i) the Administration Charge, (ii) the Directors' Charge, (iii) the KERP Charge, (iv) the Financial Advisor Charge, and (iv) the RBC/EDC Security.

75. Based on discussions with representatives from the proposed Monitor and the Financial Advisor, I believe that the economic terms of the DIP Term Sheet are reasonable. The interest rates are consistent with market, and the structure and terms of the DIP Term Sheet otherwise provide significant flexibility to the Applicants to allow them to continue operations and conduct the SISP with the assistance of the Financial Advisor and under the oversight of the proposed Monitor. Further, as noted above, the DIP Term Sheet was the only proposal for DIP financing received that contemplated security in the form of a subordinated court-ordered charge, ranking junior to the RBC/EDC Security.

76. In connection with agreeing to the terms of the DIP Loan, the Company and Deerfield have also reached certain agreements pertaining to the CVRs relating to the Deerfield Term Loan. In particular, Deerfield has agreed to irrevocably waive and release its claims under the CVRs if the amounts outstanding under the DIP Loan and the Deerfield Term Loan are repaid in full by June 30, 2024, pursuant to a transaction entered into on or before April 30, 2024. This agreement provides an incremental benefit to the Company and its stakeholders by providing certainty that Deerfield will not have a claim in relation to the CVRs if the foregoing conditions are satisfied.

D. Continued Use of Cash Management System and Related Matters

77. In the ordinary course of its business, the Company uses a centralized cash management system (the "**Cash Management System**"). As part of the Cash Management System, the Applicants have multiple operating bank accounts with RBC and TD which are used for all day-to-day and corporate operating transactions, including the collection of receipts from its customers and payment of suppliers. The Applicants are seeking the authority to continue to use the Cash Management System. The continued operation of the existing Cash Management System will minimize disruption to the Applicants' operations and avoid the need to negotiate and implement alternative banking arrangements. The current Cash Management System includes the necessary accounting controls to enable the Applicants and the proposed Monitor to trace funds and ensure that all transactions are adequately ascertainable. As such, the proposed Initial Order authorizes the continuation of the current Cash Management System.

78. The Company also uses a limited number of credit cards issued through American Express to facilitate certain day-to-day payments (the "**Credit Cards**"). The Applicants are seeking the authority pursuant to the proposed Initial Order to continue to use the Credit Cards, and make full repayment of all amounts outstanding thereunder, including with respect to pre-filing charges. As

with the Cash Management System, the continued use of the Credit Cards will assist in minimizing disruption to the operations of the Applicants caused by the CCAA proceedings. As at November 30, 2023, the aggregate amount outstanding on the Credit Cards was under $24,000.

E. Payments During the CCAA Proceedings

79. During the course of the CCAA proceedings, the Company intends to make payments for goods and services contracted for and supplied to it post-filing in the ordinary course, as set out in the Cash Flow Forecast and requested in the proposed Initial Order.

80. Pursuant to the proposed Initial Order, the Applicants are also requesting authorization to make payments to critical suppliers and service providers, with the consent of the Monitor and the DIP Lender, for goods and services actually supplied to the Applicants prior to the CCAA proceedings being commenced.

81. The Company has identified and provided information to the proposed Monitor regarding certain suppliers and service providers that are critical for the Company to continues its business in the normal course, certain of whom are outside Canada and certain of whom are the sole supplier of a particular input the Company requires. In addition, as described previously, owing to regulatory and proprietary considerations, in certain cases the Company is not in a position to source products from alternative suppliers. Payment for goods and services supplied by such parties to the Applicants prior to the date of the commencement of the CCAA proceedings is fundamental to preserving these key relationships and the timely supply of products to the Applicants. Importantly, disruption to the provision of such goods and services could jeopardize the normal course operations of the CPL Business and the Company's ability to meet obligations to its customers.

F. The Proposed Monitor

82. The Applicants are seeking the appointment of KSV as the Monitor in these CCAA proceedings. KSV has consented to act as the Monitor in the within CCAA proceedings, subject to Court approval. I understand a copy of the Consent to Act as Monitor provided by KSV will be included in the Application Record filed in connection with the application for the proposed Initial Order.

83. I understand from Noah Goldstein of KSV that KSV is a trustee within the meaning of Section 2 of the *Bankruptcy and Insolvency Act* (Canada), as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in Section 11.7(2) of the CCAA.

84. KSV became involved with the Company in November 2023 to assist the Company in its review of financial and restructuring matters and in contemplation of serving as a Monitor if formal restructuring proceedings were commenced. During the course of its mandate, KSV has assisted in reviewing and analyzing the Company's financial and liquidity position (including the Cash Flow Forecast) and restructuring and financing options, including the development of the SISP, the terms of the DIP Loan and the other relief requested by the Applicants in connection with the CCAA proceedings.

85. The professionals at KSV who will have carriage of this matter have acquired knowledge of the Company, its business and financial circumstances, and the overall restructuring efforts of the Company undertaken to date. I believe that KSV is in a position to assist the Applicants with their restructuring efforts in these CCAA proceedings.

G. Administration Charge

86. The proposed Initial Order contemplates that a Court-ordered charge over the property would be granted in favour of the proposed Monitor (KSV), counsel to the proposed Monitor (Cassels Brock & Blackwell LLP), counsel to the Applicants (Goodmans LLP) and the Financial Advisor to secure the payment of their respective fees and disbursements (in the case of the Financial Advisor, excluding the Transaction Fee (as defined below)) incurred in connection with the CCAA proceedings up to a maximum of CA$375,000 for the Initial Stay Period (the "**Administration Charge**"). The Administration Charge is proposed to have first ranking priority over all other charges and encumbrances on the Property. The Applicants anticipate requesting that the quantum of the Administration Charge be increased to a maximum of CA$600,000 pursuant to the ARIO.

87. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA proceedings. Each of the beneficiaries of the Administration Charge will have distinct roles in the CCAA proceedings, and will contribute to the Applicants' restructuring efforts.

88. The quantum of the proposed Administration Charge was estimated by the Applicants, with the assistance of the proposed Monitor. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the proposed Monitor and Deerfield are also supportive of the Administration Charge.

H. Directors and Officers Indemnity and Charge

89. I am advised by Chris Armstrong of Goodmans LLP, counsel to the Applicants, and believe that, in certain circumstances, directors can be held liable for certain obligations of a company

owing to employees and government entities, which may include unpaid wages and vacation pay, together with unremitted sales, goods and services, and harmonized sales taxes.

90. The Company maintains an insurance policy in respect of the potential liability of its directors and officers, as well as those of its subsidiaries (the "**D&O Policy**"). While the D&O Policy insures directors and officers for certain claims that may arise against them in their capacity as directors and/or officers of the Applicants, that coverage is not absolute. Rather, it is subject to several exclusions and limitations, which may result in there being no coverage or insufficient coverage for potential liabilities.

91. The directors and officers of the Applicants have expressed a desire for certainty with respect to their potential personal liability if they continue in their current roles in the CCAA proceedings.

92. Each of the directors and officers has considerable experience with, and knowledge of, the Company's business. The Applicants require, and stakeholders will benefit from, the active involvement of the directors and officers during the CCAA proceedings and the SISP. Given the uncertainty surrounding insurance and available indemnities, the Applicants' directors and officers have indicated that their continued service and involvement in the CCAA proceedings is conditional upon the granting a Court-ordered charge on the Property (the "**Directors' Charge**") in the amount of CA$1,801,000 to secure the indemnity provided to the directors and officers in the proposed Initial Order in respect of liabilities they may incur during the CCAA proceedings in their capacities as such. The Directors' Charge would be subordinate to the proposed Administration Charge but will rank in priority to all other encumbrances.

93. The Applicants believe that the Directors' Charge is reasonable in the circumstances, especially in light of the aforementioned risks. I understand that the proposed Monitor and Deerfield are supportive of the Directors' Charge and its quantum. The amount of the Directors' Charge for purpose of the Initial Order has been calculated with the assistance of KSV based on the estimated potential exposure of the directors and officers during the initial 10-day Stay Period and has been reviewed with me. I understand that KSV will provide further information to the Court on the calculation of the Directors' Charge in its pre-filing report. The proposed Directors' Charge would apply only to the extent that the directors and officers do not have coverage under the D&O Policy.

I. Priorities of Charges

94. It is contemplated that the priorities of the various Court-ordered Charges granted pursuant to the Initial Order, as among them, will be as follows:

(a) Administration Charge: up to a maximum of CA$375,000;

(b) Directors' Charge: up to a maximum of CA$1,801,000; and

(c) DIP Lender's Charge: up to a maximum of $1,500,000, plus interest, fees and expenses.

95. The proposed Initial Order provides for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**") in favour of any person, except: (i) any secured creditor of the Applicants who did not receive notice of the application for the Initial Order; and (ii) the DIP Lender's Charge shall be subordinate to the RBC/EDC Security. The proposed Initial Order authorizes the Applicant to seek an Order, on a subsequent motion on notice to those persons

likely to be affected thereby, granting priority of the Charges ahead of any Encumbrance over which the Charges have not obtained priority pursuant to the Initial Order, provided that the DIP Lender's Charge shall continue to rank behind the RBC/EDC Security.

VI. RELIEF TO BE SOUGHT AT THE COMEBACK HEARING

96. As referenced above, the Applicants intend to seek the ARIO and the SISP Approval Order at the Comeback Hearing. The relief contemplated by each of the proposed ARIO and SISP Approval Order is described below.

A. ARIO

(i) Stay Extension

97. The proposed Initial Order seeks the granting of a CCAA stay of proceedings for the Initial Stay Period until and including December 22, 2023. At the Comeback Hearing, the Applicants intend to seek an extension of the stay of proceedings up to and including March 22, 2024. The proposed extension of the stay of proceedings will enable the Applicants, with the assistance of the Financial Advisor and the proposed Monitor, to conduct the SISP and return to Court to seek approval of the Successful Bid.

(ii) Set-off

98. The Applicants will also seek an amendment to the Initial Order to clarify that, during the stay of proceedings, no party may assert rights of set-off in respect of any obligations owing before the commencement of these CCAA proceedings without an order of the Court. The Applicants believe that this provision is required to ensure that they can continue to operate in the ordinary course and that no set-off rights will be exercised in a way that will disrupt the Company's restructuring efforts. Specifically, I am concerned that pre-filing obligations are not set-off against

post-filing obligations. I am advised by Chris Armstrong of Goodmans LLP, counsel to the Applicants, that such a provision is consistent with a recent decision of the Supreme Court of Canada and has been included in orders granted in other recent CCAA cases.

(iii) Approval of KERP and Granting of KERP Charge

99. The retention of key employees is of vital importance to the Applicants during these CCAA proceedings, including in connection with maintaining ongoing business operations, pursuing the SISP and completing a restructuring transaction in connection therewith. The Applicants therefore intend to seek Court approval of the KERP, which has been developed with the assistance of KSV.

100. The KERP will entitle designated key employees to a cash payment based on a percentage of the employee's salary (or, in certain cases, a lump sum), provided that such key employee remains in the employment of the Company through the completion of the transaction identified through these proceedings, subject to other customary terms and conditions. The maximum aggregate retention payments payable pursuant to the KERP total CA$998,311. It is contemplated that amounts owing under the KERP would be secured by the KERP Charge.

101. The Company's key employees who are proposed to be entitled to payments under the KERP have significant knowledge and responsibility with respect to the Applicants and their operations, and their commitment is key to the Company's restructuring efforts.

102. The KERP is designed to encourage these key employees to continue their employment through to the completion of a transaction. Absent the KERP, key employees may seek alternative employment and the Company believes it would be detrimental to the CPL Business and the overall restructuring process if these employees were to leave and the Company was required to attempt to find replacement employees during this critical time.

103. The KERP is also designed to recognize the significant importance of the key employees to the pursuit and implementation of a transaction, and the significant amount of additional work and effort required to advance and assist with the Company's efforts in these CCAA proceedings.

104. I understand that further details in respect of the proposed KERP, including a confidential schedule with further details in respect of the roles of the key employees and the proposed KERP payments, will be provided in the proposed Monitor's report to be filed in advance of the Comeback Hearing.

(i) Financial Advisor Engagement

105. As noted above, the Company retained the Financial Advisor to assist with the pre-filing refinancing and investment solicitation process and to assist with evaluating potential transactions. The Financial Advisor's role expanded to also assisting the Company with seeking DIP financing alternatives and it is contemplated that the Financial Advisor will assist the Company in conducting the SISP. At the Comeback Hearing, the Applicants intend to seek approval of the Financial Advisor's engagement letter and the Financial Advisor Charge (as described below). A copy of the Financial Advisor's engagement letter is attached hereto as Exhibit "K". The Financial Advisor's engagement letter contains a success fee provision in connection with the completion of a successful refinancing, sale or restructuring transaction (the "**Transaction Fee**"). The Applicants will request that the Transaction Fee be secured by a priority charge on the Property to provide certainty to the Financial Advisor that it will be compensated for its services in accordance with the terms of its engagement letter (the "**Financial Advisor Charge**"). The Financial Advisor Charge is necessary and reasonable in the circumstances as it is a condition of the retention of the Financial Advisor.

(ii) Increase to Charges

106. The charges proposed in the Initial Order are intended for the Initial Stay Period only. The proposed ARIO provides for the following amendments to the Charges, as well as the addition of the KERP Charge, listed in order of priority:

(a) Administration Charge: increase to a maximum of CA$600,000;

(b) Directors' Charge: increase to a maximum of CA$2,306,000;

(c) KERP Charge: granted in a maximum amount of CA$998,311;

(d) Financial Advisor Charge; and

(e) DIP Lender's Charge: increase to a maximum of $6,000,000, plus accrued and unpaid interest, fees and expenses, provided that the DIP Lender's Charge shall be subordinate to the RBC/EDC Security.

107. The Applicants believe the amounts of the proposed Charges (both in the Initial Order and the ARIO) are fair and reasonable in the circumstances. I understand that the proposed Monitor and Deerfield are also supportive of the amounts of the proposed Charges, as increased and/or granted pursuant to the proposed ARIO.

108. The Applicants intend to provide notice of the Comeback Hearing and the request for the ARIO to any persons having a registered security interest in respect of any Applicant. As such, the proposed ARIO provides that the Charges shall rank in priority to all Encumbrances, provided that the DIP Lender's Charge shall be subordinate to the RBC/EDC Security.

B. SISP Approval Order

109. As discussed above, the Company, with the assistance of its advisors, worked throughout much of 2023 to identify a strategic transaction that would have avoided the need for a formal restructuring filing. Unfortunately, none of the options identified to date led to a definitive transaction that could be achieved in the time available to the Company given its financial constraints.

110. Over the course of the coming months, the Company anticipates building on these efforts through the SISP to identify the highest or otherwise best offer for a refinancing, sale or other strategic investment or transaction involving the business, assets and/or equity of the Applicants.

111. The SISP provides for a flexible process under which the Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, will solicit interest in a potential transaction.

112. The material terms of the SISP are summarized below. Capitalized terms used in the below summary that are not otherwise defined herein have the meanings given to such terms in the SISP, a copy of which is attached hereto as Exhibit "L".

Summary of Certain Key Terms of the SISP	
Process and Timeline	• LOI Deadline: Interested parties must submit a non-binding letter of intent meeting the requirements specified in the SISP (a "**LOI**") by the LOI Deadline of 2:00 p.m. (Toronto time) on February 8, 2024. • Qualified Bid Deadline: Interested parties must submit a qualified bid meeting the requirements enumerated in the SISP (a "**Qualified Bid**") by the Qualified Bid Deadline of 2:00 p.m. (Toronto time) on February 29, 2024 (the "**Qualified bid Deadline**"). • Selection of Qualified Bid: Following the Qualified Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, will evaluate the Qualified Bid's based of off the criteria enumerated in section 9 of the SISP. After consideration of these factors, the Applicants, will select a successful bidder by no later than 2:00 p.m. (Toronto time) on March 12, 2024 (the "**Successful Bid**").

Summary of Certain Key Terms of the SISP	
Certain Requirements for Qualified Bids	• Provide for consideration, payable in full on closing of the Transaction (the "**Consideration Value**"), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded. • As part of the Consideration Value, provide cash consideration sufficient to pay: (i) any obligations in connection with charges granted by the Court in the Applicants' CCAA proceedings and any obligations in priority thereto; and (ii) the amount necessary to fund a wind-up of the Applicants' CCAA proceedings and any further proceedings or wind-up costs in respect of the Applicants. • Contemplates closing by not later than the Outside Date of April 30, 2024. • Contains duly executed binding transaction documents. • Provides that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid, and if selected as the Back-Up Bid it will remain irrevocable until the earlier of (i) closing of the Successful Bid or (ii) closing of the Back-Up Bid. • Provides written evidence of the bidder's ability to fully fund and consummate the Transaction and satisfy its obligations under the Transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid. • Does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment, or be conditional upon the outcome of unperformed due diligence and/or the securing of financing. • Includes a cash deposit equal to 10% of the Consideration Value. • Except to the extent otherwise authorized by the Court, no bid may be designated as a Successful Bid or Back-up Bid unless (x) it will pay out in cash on closing all principal, interest, fees and costs outstanding under the Deerfield Term Loan or (y) it is consented to by Deerfield.

Summary of Certain Key Terms of the SISP	
Review, Selection and Court Approval of Successful Bid	• If one or more Qualified Bids has been received by the Applicants and the Monitor on or before the Qualified Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, may: o negotiate with one or more of the bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid; o considering the requirements for Qualified Bids and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or release of liabilities not otherwise accounted for in (i) above, (iii) the likelihood of the bidder's ability to close a Transaction by not later than the Outside Date, (iv) the likelihood of the Court's approval of the Successful Bid, (v) the benefit to the Applicants and their stakeholders, and (vi) any other factors the directors or officers of Applicants may, consistent with their fiduciary duties, reasonably deem relevant (collectively, the "**Consideration Factors**"); and (vii) designate any Qualified Bid received to be the highest or otherwise best bid in the SISP. o having regard to the Consideration Factors, designate any Qualified Bid received as the Back-Up Bid.
Consultation / Information	• The Applicants and the Monitor shall be permitted, in their discretion, to provide general updates and information in respect of the SISP to any Creditor (including any advisor thereto) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Applicants in form and substance satisfactory to the Applicants and the Monitor. The DIP Lender and DPDF IV have irrevocably confirmed that they will not submit any bid in the SISP (provided that they may credit bid following the termination of the SISP), and as such the Applicant and Monitor shall consult and provide all information in respect of the SISP to the DIP Lender and its legal and financial advisors. • The highest Qualified Bid may not necessarily be accepted by the Applicants. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Applicants, with the written consent of the Monitor, reserve the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Qualified Bid for different parts of the Opportunity or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids.

113. The SISP is to be conducted in accordance with the timelines set out immediately below:

Key Date[1]	SISP Step
December 22, 2023	Anticipated issuance of the SISP Approval Order.

[1] Capitalized terms not otherwise defined within this table have the meaning ascribed to them in the SISP.

Key Date[1]	SISP Step
By no later than January 8, 2024	Applicants, with the assistance of the Financial Advisor, will commence the solicitation process.
February 8, 2024	LOI Deadline.
February 29, 2024	Qualified Bid Deadline.
March 12, 2024	Selection of Successful Bid Deadline.
By no later than March 22, 2024	Hearing for the Approval Order (subject to the Court's availability).
April 30, 2024	Outside Date for Closing of the Successful Bid.

114. I believe that the timelines and terms of the SISP are reasonable and appropriate in the circumstances, and will result in a fair and equitable process that will appropriately canvass the market in order to identify the best available transaction for the benefit of Company and its stakeholders.

VII. CONCLUSION

115. The Company, with the assistance of its advisors, has reviewed and considered the potential options and alternatives available to it in the circumstances, taking into account, among other things, its limited remaining liquidity and current inability to repay its funded debt.

116. The Company has determined that it is in its best interests and those of its stakeholders to commence these CCAA proceedings, with the support of Deerfield as the DIP Lender. These CCAA proceedings, and the relief sought in the proposed Initial Order, ARIO and SISP Approval Order, will provide the stability, framework and necessary financing for the Company to canvass the market to identify a strategic transaction to provide the best result for the Company and its stakeholders, while at the same time ensuring that the core business of the Company will continue on a going-concern basis for the benefit of stakeholders.

117. The Applicants believe that the relief sought pursuant to the proposed Initial Order is appropriate and necessary in the circumstances, and respectfully request that the Court grant the proposed Initial Order. If the Initial Order is granted, the Applicants also respectfully submit that the relief sought in the proposed ARIO and SISP Approval Order is appropriate and in the best interests of the Applicants, and that such Orders be granted at the Comeback Hearing.

SWORN before me by Jan Sahai stated as being located in the City of Mississauga in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on December 14, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

Erik Axell

A Commissioner for taking affidavits

Name: Erik Axell
LSO: # 85345O

Jan Sahai

Signed by: Jan Sahai
CEO
Date & Time: December 14, 2023 17:34:09 EST

JAN SAHAI

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF JAN SAHAI
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 3RD DAY OF APRIL, 2024

Erik Axell

Commissioner for Taking Affidavits

Court File No. CV-23-00711401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 22nd
	)	
JUSTICE PENNY	)	DAY OF DECEMBER, 2023

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**")

SISP APPROVAL ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, approving the Sale and Investment Solicitation Process in the form attached hereto as Schedule "A" (the "**SISP**") and certain related relief, was heard this day by videoconference via Zoom.

ON READING the affidavit of Jan Sahai sworn December 14, 2023, and the Exhibits thereto, and the pre-filing report dated December 14, 2023, of the proposed monitor, KSV Restructuring Inc. ("**KSV**"), and the first report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated December 20, 2023 (the "**First Report**"), and on hearing the submissions of counsel for the Applicants, counsel for KSV, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P., counsel for Royal Bank of Canada, and counsel for Export Development Canada, and the other parties listed on the counsel slip,

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 capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order of this Court dated December 22, 2023 (the "**ARIO**"), or the SISP, as the case may be.

SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP is hereby approved and the Applicants and the Monitor are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The Applicants, the Financial Advisor and the Monitor are hereby authorized and directed to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.

4. **THIS COURT ORDERS** that the Applicants, the Financial Advisor, the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final order that is not subject to appeal or other review.

5. **THIS COURT ORDERS** that in overseeing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding.

6. **THIS COURT ORDERS** that the Applicants and the Monitor may from time to time apply to this Court for advice and directions in connection with the SISP or the implementation thereof.

PIPEDA

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Applicants, the Monitor and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants that are party to a non-disclosure agreement (each, a "**SISP Participant**") and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Applicants, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Applicants or the Monitor. Any bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other

personal information to the Applicants, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants or the Monitor.

GENERAL

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

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, 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.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

SCHEDULE "A"

SALE AND INVESTMENT SOLICITATION PROCESS

[ATTACHED]

Sale and Investment Solicitation Process for Contract Pharmaceuticals Limited

1. On December 15, 2023, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order (the "**Initial Order**"), among other things: (i) granting Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada ("**Glasshouse Canada**"), and Glasshouse Pharmaceuticals LLC (collectively, the "**Applicants**") relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"); and (ii) approving the Applicants' ability to borrow under an interim debtor-in-possession financing facility pursuant to a DIP Financing Term Sheet dated December 14, 2023 (the "**DIP Agreement**") with Deerfield Private Design Fund IV, L.P. ("**DPDF IV**"), as agent for itself and Deerfield Private Design Fund III, L.P. (together in such capacity, the "**DIP Lender**") providing borrowings of up to US$6,000,000 (the "**DIP**").

2. On December 22, 2023, the Court granted: (i) an order amending and restating the Initial Order (the "**ARIO**"); and (ii) an order (the "**SISP Approval Order**") that, among other things, authorized the Applicants to implement a sale and investment solicitation process ("**SISP**") in accordance with the terms hereof. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ARIO or the SISP Approval Order, as applicable. Copies of the ARIO and the SISP Approval Order can be found at the following URL: https://www.ksvadvisory.com/experience/case/cpl (the "**Monitor's Website**").

3. This SISP sets out the manner in which: (a) binding bids for a refinancing, sale or other strategic investment or transaction involving the business, assets and/or equity of the Applicants (the "**Opportunity**"), will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.

4. The SISP shall be conducted by the Applicants with the assistance of SSG Capital Advisors, LLC (in such capacity, the "**Financial Advisor**") under the oversight of KSV Restructuring Inc. in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**").

5. Parties who wish to have their bids considered must participate in the SISP.

6. The Applicants, with the assistance of the Financial Advisor and under the oversight of the Monitor, will:

   (a) disseminate marketing materials and a process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to potentially interested parties identified by the Applicants, with the assistance of the

Financial Advisor and in consultation with the Monitor and the DIP Lender, or any other interested party who contacts the Applicants, the Financial Advisor or the Monitor;

(b) solicit interest from interested parties with a view to such parties entering into non-disclosure agreements (each an "**NDA**") (parties shall only obtain access to the virtual data room (the "**VDR**") and be permitted to participate in the SISP if they execute an NDA, in form and substance satisfactory to the Applicants; provided that those parties that have already executed an NDA with the Applicants shall not be required to execute a further NDA provided that such prior NDA has not expired or will not expire during the SISP);

(c) provide interested parties who have executed an NDA with: (i) a confidential information memorandum in respect of the Opportunity; and (ii) access to the VDR containing diligence information in respect of the Opportunity and such other diligence opportunities as the Applicants, with the assistance of the Financial Advisor and in consultation with the Monitor, consider advisable;

(d) request that interested parties submit a non-binding letter of intent ("**LOI**") that meets the requirements set forth in Section 8 below by the LOI Deadline (as defined below); and

(e) request that such parties submit a binding offer that meets at least the requirements set forth in Section 9 below, as determined by the Applicants, in consultation with the Monitor (each a "**Qualified Bid**"), by the Qualified Bid Deadline (as defined below).

7. The SISP shall be conducted subject to the terms hereof and the following key milestones, which milestones may be extended by the Applicants, in consultation with the Monitor (provided that in the case of any extension by more than three days for any individual milestone, or seven days in the aggregate, or for any extension of the Outside Date, the consent of the DIP Lender shall also be required):

(a) the Court issues the SISP Approval Order approving the SISP – by no later than December 22, 2023;

(b) the Applicants, with the assistance of the Financial Advisor, commence the solicitation process by no later than January 8, 2024, it being understood that the Applicants and the Financial Advisor, in consultation with the Monitor, shall be at liberty to provide marketing materials and commence discussions with interested parties prior to such date as they consider appropriate;

(c) deadline to submit a non-binding LOI – by no later than 2:00 p.m. (Toronto time) on February 8, 2024 (the "**LOI Deadline**");

(d) deadline to submit a Qualified Bid – by no later than 2:00 p.m. (Toronto time) on February 29, 2024 (the "**Qualified Bid Deadline**");

(e) deadline to select a Qualified Bid as the successful bid (the "**Successful Bid**") – by no later than 2:00 p.m. (Toronto time) on March 12, 2024;

(f) Approval Order (as defined below) hearing – by no later than March 22, 2024, subject to Court availability; and

(g) closing of the Successful Bid – as soon thereafter as possible and, in any event, by no later than April 30, 2024 (the "**Outside Date**").

8. Any interested party who wishes to submit an LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Applicants, in consultation with the Monitor, may waive strict compliance with any one or more of the requirements specified below):

(a) it sets forth the identity of the interested party, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the interested party's financial wherewithal to complete a transaction pursuant to the SISP;

(b) it sets forth the principal terms of the proposed transaction, including: (i) the nature of the proposed transaction (e.g. refinancing, sale, investment, etc.); (ii) the purchase price or other consideration offered in connection with the transaction, including material assumed liabilities; (iii) a description of any conditions or approvals required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the transaction; (v) proposed treatment of the Applicants' employees; (vi) any other terms or conditions that the interested party believes are material to the transaction; and (vii) any other information as may be reasonably requested by the Applicants, in consultation with the Monitor; and

(c) it is received by the Applicants and the Monitor by no later than the LOI Deadline at the email addresses specified on Schedule "A" hereto.

9. In order to constitute a Qualified Bid, a bid must comply with the following:

(a) it provides for consideration, payable in full on closing of the Transaction (the "**Consideration Value**"), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;

(b) as part of the Consideration Value, it provides cash consideration sufficient to pay on closing: (i) any obligations in connection with the charges granted by the Court in the Applicants' CCAA proceedings and any obligations in priority thereto; and (ii) the amount necessary to fund a wind-up of the Applicants' CCAA proceedings and any further proceedings or wind-up costs in respect of the Applicants;

(c) it contemplates closing of the Transaction by not later than the Outside Date;

(d) it contains:

(i) duly executed binding Transaction document(s);

(ii) the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);

(iii) a redline to the form of any transaction agreement made available by the Applicants in the VDR;

(iv) evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);

(v) disclosure of any past or current connections or agreements with the Applicants, any known, potential, prospective bidder participating in the SISP, or any current or former officer, manager, director, member or known current or former equity security holder of any of the Applicants; and

(vi) such other information as may be reasonably requested by the Applicants or the Monitor;

(e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;

(f) it provides that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid; or (ii) closing of the Back-Up Bid;

(g) it provides written evidence of the bidder's ability to fully fund and consummate the Transaction and satisfy its obligations under the Transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;

(h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;

(i) it is not conditional upon:

(i) approval from the bidder's board of directors (or comparable governing body) or equityholder(s);

(ii) the outcome of any due diligence by the bidder; or

(iii) the bidder obtaining financing;

(j) it includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Applicants, the Financial Advisor, the Monitor and their respective employees, officers, directors, agents, advisors (including legal counsel) and other representatives, regarding the proposed Transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed Transaction documents; (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Applicants, the Financial Advisor, the Monitor or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed Transaction documents; (iv) is bound by this SISP and the SISP Approval Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;

(k) it specifies any regulatory or other third-party approvals the bidder anticipates would be required to complete the Transaction (including the anticipated timing necessary to obtain such approvals);

(l) it includes full details of the bidder's intended treatment of the Applicants' stakeholders under or in connection with the proposed bid, including the Applicants' secured creditors, unsecured creditors, employees, customers, suppliers, contractual counterparties and equity holders;

(m) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds in an amount equal to at least 10% of the Consideration Value, which Deposit shall be retained by the Monitor in an interest-bearing trust account in accordance with the terms hereof;

(n) it includes a statement that the bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed Transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and

(o) it is received by the Applicants, with a copy to the Financial Advisor and the Monitor, by the Qualified Bid Deadline at the email addresses specified on Schedule "A" hereto.

10. The Applicants, in consultation with the Financial Advisor, the Monitor and the DIP Lender, may in their sole discretion waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant bid to be a Qualified Bid, provided that the Applicants shall not waive compliance with the requirements specified in subsections 9(b) or 9(c) without the consent of the DIP Lender.

11. If one or more Qualified Bids has been received by the Applicants on or before the Qualified Bid Deadline, the Applicants, with the assistance of the Financial Advisor and in consultation with the Monitor and the DIP Lender, may:

    (a) negotiate with one or more of the bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid submitted by a bidder shall be deemed to be a Qualified Bid hereunder for all purposes);

    (b) (x) considering the factors set out in Section 9 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or release of liabilities not otherwise accounted for in (i) above, (iii) the likelihood of the bidder's ability to close a Transaction by not later than the Outside Date (including factors such as: the Transaction structure and execution risk; conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the benefit to the Applicants and their stakeholders, and (vi) any other factors the directors or officers of Applicants may, consistent with their fiduciary duties, reasonably deem relevant (collectively, the "**Consideration Factors**"); and (y) designate any Qualified Bid received to be the highest or otherwise best bid in the SISP (as may be designated pursuant to this subsection 11(b), the "**Successful Bid**" and the bidder making such bid, the "**Successful Bidder**"); or

    (c) having regard to the Consideration Factors, designate any Qualified Bid received as the Back-Up Bid.

12. Except to the extent otherwise authorized by the Court, notwithstanding any other provision hereof no bid may be designated as a Successful Bid or Back-up Bid unless (x) it will pay out in cash on closing all principal, interest, fees and costs outstanding under the facility agreement dated as of December 6, 2018, between Glasshouse Canada, as borrower, DPDF IV, as administrative agent, and the lenders and guarantors party thereto (as amended, modified, supplemented and scheduled from time to time, the "**Facility Agreement**") or (y) it is consented to by DPDF IV.

13. Following selection of the Successful Bid, if any, the Applicants, with the assistance of their advisors, and in consultation with the Monitor and the DIP Lender, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 7. Once the necessary definitive

agreement(s) with respect to a Successful Bid have been finalized, as determined by the Applicants in consultation with the Monitor, the Applicant shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Applicants to complete the transactions contemplated thereby, as applicable, and authorizing the applicable Applicants to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in such Successful Bid (each, an "**Approval Order**"). If the Successful Bid is not consummated in accordance with its terms, the Applicant shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

14. The highest Qualified Bid may not necessarily be accepted by the Applicants. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Applicants, with the written consent of the Monitor, reserve the right to deal with one or more bidders to the exclusion of others, to accept a Qualified Bid for different parts of the Opportunity or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids.

15. If a Successful Bid is selected and an Approval Order authorizing the consummation of the Transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the Transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable bidder by the Monitor as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Approval Order or such earlier date as may be determined by the Applicants, with the consent of the Monitor; provided, the Deposit in respect of any Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.

16. The Applicants and the Monitor shall be permitted, in their discretion, to provide general updates and information in respect of the SISP to any creditor (each a "**Creditor**") and its legal and financial advisors, if applicable, on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Applicants in form and substance satisfactory to the Applicants and the Monitor. The DIP Lender and DPDF IV have irrevocably confirmed that they will not submit any bid in the SISP (provided that they may credit bid following the termination of the SISP), and as such the Applicant and Monitor shall consult and provide all information (subject to solicitor-client privilege) in respect of the SISP to the DIP Lender and its legal and financial advisors.

17. Any amendments to this SISP may only be made by the Applicants with the written consent of the Monitor and the DIP Lender or by further order of the Court.

18. Any secured lender of the Applicants shall have the right to credit bid their secured debt against the assets secured thereby up to the full face value of such secured lender's claims, including principal, interest and any other obligations owing to such secured lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the Applicants in priority to its secured debt (including as contemplated by subsection 9(b) hereof); and (ii) pay appropriate consideration for any assets of the Applicants which are contemplated to be acquired and that are not subject to such secured lender's security; provided, however, that the DIP Lender and DPDF IV have confirmed they shall not credit bid unless and until the SISP is terminated.

19. The Applicants, following consultation with the Monitor and the DIP Lender, may at any time prior to the Qualified Bid Deadline bring a motion in the CCAA proceedings for approval of a 'stalking horse' bid in the SISP.

20. The Monitor will oversee the conduct of the SISP and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein and in the SISP Approval Order, and is entitled to receive all information in relation to the SISP.

SCHEDULE "A": E-MAIL ADDRESSES FOR DELIVERY OF BIDS

To the counsel for the Applicants:

carmstrong@goodmans.ca; eaxell@goodmans.ca; jlinde@goodmans.ca

with a copy to the Financial Advisor:

mchesen@ssgca.com; mkarlson@ssgca.com; alamm@ssgca.com;

and with a copy to the Monitor and legal counsel to the Monitor:

ngoldstein@ksvadvisory.com; rjacobs@cassels.com; jbellissimo@cassels.com.

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

Court File No. CV-23-00711401-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

SISP APPROVAL ORDER

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Lawyers for the Applicants

THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF JAN SAHAI
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 3RD DAY OF APRIL, 2024

Erik Axell

Commissioner for Taking Affidavits

AMENDMENT NO. 1 TO DIP FINANCING TERM SHEET

THIS AMENDMENT NO. 1 (this "**Amendment**") is made as of March 30, 2024, and is entered into between Contract Pharmaceuticals Limited Canada, as borrower (the "**Borrower**") and Deerfield Private Design Fund IV, L.P., as agent for itself and Deerfield Private Design Fund III, L.P. (collectively, the "**DIP Lender**"), as the DIP Lender, in connection with the DIP Financing Term Sheet dated as of December 14, 2023 (the "**Existing DIP Term Sheet**") made by and among, the Borrower, the DIP Lender and the guarantors party thereto.

WHEREAS, the Borrower has requested that the DIP Lender amend the Existing DIP Term Sheet as set forth herein, and the DIP Lender is willing to do so on the terms and conditions set forth herein.

AND WHEREAS capitalized terms used and not defined herein shall have the meanings given to such terms in the Existing DIP Term Sheet.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **Amendments**. The following amendments to the Existing DIP Term Sheet are hereby agreed:

    (a) Section 14 of the Existing DIP Term Sheet is hereby amended by deleting the reference to "April 30, 2024" from sub-paragraph (iii) thereof and inserting a reference to "May 29, 2024" in its place.

    (b) The Borrower and the DIP Lender agree to an extension of certain milestones in Section 7 of the SISP (appended as Exhibit E to the Existing DIP Agreement), as follows:

        (i) the reference to "February 29, 2024" in paragraph 7(d) of the SISP is hereby deleted and replaced with a reference to "March 7, 2024";

        (ii) the reference to "March 12, 2024" in paragraph 7(e) of the SISP is hereby deleted and replaced with a reference to "March 29, 2024";

        (iii) the reference to "March 22, 2024" in paragraph 7(f) of the SISP is hereby deleted and replaced with a reference to "April 12, 2024"; and

        (iv) the reference to "April 30, 2024" in paragraph 7(g) of the SISP is hereby deleted and replaced with a reference to "May 29, 2024".

2. **General**.

    (a) <u>Effect of Amendment</u>. All terms and conditions of the Existing DIP Term Sheet shall remain in full force and effect unless, and only to the extent, specifically amended pursuant to the terms of this Amendment, and the Existing DIP Term Sheet is hereby ratified and confirmed. The Existing DIP Term Sheet shall be read

and construed throughout so as to incorporate the applicable provisions of this Amendment.

(b) No Waiver. Except as expressly set out herein, nothing contained in this Amendment shall be construed or interpreted or is intended as a waiver of any rights, powers, privileges or remedies that the DIP Lender have or may have under the Existing DIP Term Sheet.

(c) Severability. Any provision in this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(e) Counterparts. This Amendment may be executed in any number of counterparts and by electronic transmission including "pdf", DocuSign or other electronic format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereby execute this Amendment as at the date first above mentioned.

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., General Partner

By: J.E. Flynn Capital III, LCC, General Partner

Per: [signature]
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE DESIGN FUND IV, L.P.

By: Deerfield Mgmt IV, L.P., General Partner

By: J.E. Flynn Capital IV, LCC, General Partner

Per: [signature]
Name: David J. Clark
Title: Authorized Signatory

BORROWER:

CONTRACT PHARMACEUTICALS CANADA LIMITED

Per: ______________________
Name:
Title:

1374-4657-0507

IN WITNESS WHEREOF, the parties hereby execute this Amendment as at the date first above mentioned.

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P., General Partner

By: J.E. Flynn Capital III, LCC, General Partner

Per: ______________________________
Name:
Title:

DEERFIELD PRIVATE DESIGN FUND IV, L.P.

By: Deerfield Mgmt IV, L.P., General Partner

By: J.E. Flynn Capital IV, LCC, General Partner

Per: ______________________________
Name:
Title:

BORROWER:

CONTRACT PHARMACEUTICALS CANADA LIMITED

Jan Sahai

Per: ______________________________
Name: Jan Sahai
Title: Chief Executive Officer

Signed by: Jan Sahai
CEO
Date & Time: March 30, 2024 15:07:33 EDT

1374-4657-0507

THIS IS EXHIBIT "D"
TO THE AFFIDAVIT OF JAN SAHAI
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 3RD DAY OF APRIL, 2024

Erik Axell

Commissioner for Taking Affidavits

Execution Version

SHARE PURCHASE AGREEMENT

CONTRACT PHARMACEUTICALS LIMITED

as Seller

- and –

AIP ELIXIR BUYER INC.

as Buyer

MARCH 30, 2024

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 30, 2024

AMONG:

CONTRACT PHARMACEUTICALS LIMITED, a corporation incorporated under the laws of the State of Delaware ("**Seller**")

- and –

AIP ELIXIR BUYER INC., a corporation incorporated under the laws of the Province of Alberta (the "**Buyer**")

RECITALS:

A. Seller owns all of the issued and outstanding shares (the "**CPL Shares**") in the capital of CPL Canada Holdco.

B. CPL Canada develops, manufactures, packages, and tests pharmaceutical and regulated over-the-counter products, and also provides laboratory services that include materials, product release and stability testing as well as product development services (the "**Business**").

C. The Seller and its Affiliates (the "**CCAA Applicants**") have commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), and obtained an initial order (the "**Initial CCAA Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on December 15, 2023, pursuant to which, *inter alia,* KSV Restructuring Inc. was appointed as the monitor of the CCAA Applicants (in such capacity, the "**Monitor**"), and an amended and restated initial order (the "**ARIO**") was obtained from the Court on December 22, 2023.

D. The CCAA Applicants obtained a SISP Approval Order from the Court dated December 22, 2023 (the "**SISP Approval Order**"), approving a refinancing, sale and investment solicitation process (the "**SISP**") and, *inter alia*, authorizing and directing the CCAA Applicants, SSG Capital Advisors LLC, as Financial Advisor, and the Monitor to implement the SISP pursuant to the terms thereof.

E. The Buyer participated in the SISP, with one of its Affiliates submitting a non-binding letter of intent by the LOI Deadline (as defined in the SISP), and Buyer submitting a Qualified Bid (as defined in the SISP) by the Qualified Bid Deadline (as defined in the SISP) to purchase the CPL Shares.

F. The Buyer's Qualified Bid (on the terms reflected in this Agreement) has been designated by the CCAA Applicants, in consultation with the Monitor and the DIP Lender, as the Successful Bid and the Parties are desirous of consummating the transaction contemplated herein on the terms and conditions set forth herein.

G. Upon the issuance by the Court of the Approval and Vesting Order, and subject to the satisfaction or waiver of the other closing conditions set forth hereunder, Buyer shall acquire the CPL Shares, on the terms and subject to the conditions contained in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement (the receipt and sufficiency of good and valuable consideration being acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement,

(a) "**Action**" means any claim, counterclaim, application, action, suit, cause of action, order, charge, indictment, prosecution, demand, complaint, grievance, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity and by or before a Governmental Authority;

(b) "**Administration Charge**" has the meaning given to it in the ARIO;

(c) "**Administrative Expense Reserve**" means an amount equal to $750,000 to be paid to the Monitor in accordance with the terms hereof and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs;

(d) "**Administrative Expense Costs**" means (i) the reasonable and documented fees and costs of the Monitor and its professional advisors and the professional advisors of the CCAA Applicants and ResidualCo in each case for services performed prior to and after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceedings, the Chapter 15 Proceedings, the Terminated Employee Fund, this Agreement or the bankruptcy or other wind-down of the remaining CCAA Applicants, including costs required to wind down and/or dissolve and/or bankrupt ResidualCo, Seller and Glasshouse Pharmaceuticals LLC (including the fees and expenses of any wind-down officer that may be engaged to assist in connection with same) and costs and expenses required to administer the Excluded Assets, Excluded Contracts, Excluded Liabilities and ResidualCo, and; (ii) amounts owing in respect of obligations secured by the CCAA Charges that have not been paid prior to the Closing Date or otherwise paid under the Closing Sequence;

(e) "**Affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and "control" and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person ("**A**") controls

another Person ("**B**") where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose, provided that in respect of Buyer, Affiliates does not include any Portfolio Companies;

(f) "**Agreement**" means this Share Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time in accordance with the terms hereof, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions referred to in this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;

(g) "**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Company, the Buyer, the Business or the CPL Shares;

(h) "**Approval and Vesting Order**" means an approval and reverse vesting order of the Court substantially in the form attached hereto as Schedule I with such changes as the Seller and the Buyer may agree, each acting reasonably;

(i) "**ARIO**" has the meaning given to such term in Recital C;

(j) "**Assumed Liabilities**" means (a) Liabilities specifically and expressly designated by the Buyer as assumed Liabilities in Schedule "A" an amended list of which may be delivered by the Buyer to the Seller and the Monitor from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Liabilities and may not remove any Liabilities that were listed as of the date hereof without the Seller's written consent, not to be unreasonably withheld, conditioned or delayed and the consent of the Monitor); (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances solely to the extent arising out of events or circumstances that first occur after the Closing, (c) Liabilities in respect of the Continuing Employees except as set forth in the definition of Excluded Liabilities; (d) Pre-Filing Stayed Unsecured Obligations; and (e) Post-Filing Trade Amounts;

(k) "**ASPE**" means Accounting Standards for Private Enterprises;

(l) "**Business**" has the meaning given to such term in Recital A;

(m) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario and New York, New York are open for commercial banking business during normal banking hours;

(n) “**Buyer**” has the meaning given to such term in the preamble to this Agreement;

(o) “**Buyer Consultant**” means a reputable and experienced consultant to be engaged by Buyer, in its sole and absolute discretion and at its sole cost, expense, direction and responsibility, including in respect of all Applicable Law and compliance with the applicable terms of this Agreement, including Sections 6.1 and 10.1;

(p) “**Buyer Released Parties**” has the meaning given to such term in Section 6.10;

(q) “**CCAA**” has the meaning given to such term in Recital C;

(r) “**CCAA Applicants**” has the meaning given to such term in Recital C;

(s) “**CCAA Charges**” means, collectively, the Administration Charge, DIP Lender’s Charge, Directors’ Charge, Financial Advisor Charge and KERP Charge;

(t) “**CCAA Proceedings**” has the meaning given to such term in Recital C;

(u) “**Chapter 15 Proceedings**” has the meaning given to such term in Section 5.1(c);

(v) “**Claims**” means all debts, obligations, expenses, costs, damages, losses, Actions, Liabilities, Encumbrances (other than Permitted Encumbrances), accounts payable, indebtedness, contracts, leases, agreements, undertakings, claims (including product liability claims), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise);

(w) “**Closing**” means the completion of the Transaction at the Closing Time;

(x) “**Closing Consideration**” has the meaning given to such term in Section 2.2(b);

(y) “**Closing Date**” means the date that is no later than the earlier of the second Business Day after the last of the conditions set forth in Article 5 have been satisfied and by the Outside Date if the conditions set forth in Article 5 have been satisfied (other than, in each case, those conditions that by their nature are to be satisfied at closing of the Transaction, but subject to satisfaction or waiver of those conditions) or, where not prohibited, waived by the applicable Party or Parties in whose favour the condition is, unless another time or date is agreed to in writing by the Parties, or such other date as the Parties and the Monitor, may agree, acting reasonably;

(z) “**Closing Documents**” means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing, and including the Terminated Employee Escrow Fund Agreement;

(aa) "**Closing Sequence**" means the sequence set out in Schedule H, which may be updated from time to time in accordance with Section 9.2 until two (2) Business Days prior to the Closing Date;

(bb) "**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;

(cc) "**Company**" means, collectively, CPL Canada Holdco, CPL Canada and Glasshouse Canada, or, as the context requires, any one or more of them;

(dd) "**Company Released Parties**" has the meaning given to such term in Section 6.9;

(ee) "**Confidential Information**" means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and/or its Affiliates or any customer or supplier of a Party and/or its Affiliates; provided that "Confidential Information" does not include information that:

(i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;

(ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;

(iii) was lawfully in a Party's possession prior to disclosure thereof by the other Party; or

(iv) was independently developed by a Party without use of, or reference to, the other Party's Confidential Information;

(ff) "**Contingent Value Rights**" means , collectively, the contingent value right issued by Contract Pharmaceuticals Limited to Deerfield Private Design Fund IV, L.P. dated December 6, 2018 and the contingent value right issued by Contract Pharmaceuticals Limited to Deerfield Private Design Fund IIII, L.P. dated December 6, 2018;

(gg) "**Continuing Employees**" mean Employees other than Terminated Employees;

(hh) "**Contracts**" means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements to which the Company is a party or by which the Company is bound;

(ii) "**Court**" has the meaning given to such term in Recital C;

(jj) "**Court Approval**" means the issuance of the Court Orders by the Court;

(kk) “**Court Orders**” means, collectively, the Approval and Vesting Order and the Terminated Employee Order;

(ll) “**CPL Canada**” means Contract Pharmaceuticals Limited Canada;

(mm) “**CPL Canada Holdco**” means CPL Canada Holdco Limited;

(nn) “**CPL Shares**” has the meaning given to such term in Recital A;

(oo) “**Credit Facilities**” means collectively, the DIP Facility, Deerfield Facility RBC Facility, EDC Facility and FedDev Facility;

(pp) “**Cure Costs**” means the amounts, if any, to be paid to cure any monetary defaults of the Company under any Retained Contracts, other than those arising by reason only of the Company’s insolvency, the commencement of the CCAA Proceedings, or the Company’s failure to perform non-monetary obligations;

(qq) “**Customer Deadline**” means the later of (i) 11:59 p.m. (Toronto time) on April 9, 2024, and (ii) such later date and time as the Seller may agree to in writing in its sole discretion following consultation with the Monitor;

(rr) “**Deerfield Facility**” means that certain Facility Agreement dated December 6, 2018 among, *inter alia*, Deerfield Private Design Fund IV, L.P., as agent and lender, and Deerfield Private Design Fund III, L.P., as lender, and Glasshouse Canada as borrower, as amended;

(ss) “**Deerfield Security Agreement**” means, collectively, the Canadian Security Agreement dated December 6, 2018, between, *inter alia*, CPL Canada and Deerfield Private Design Fund IV, L.P., as amended and the United States Guaranty Security Agreement dated December 6, 2018 between, *inter alia* the Seller and Deerfield Private Design Fund IV, L.P., as amended;

(tt) “**Deposit**” has the meaning given to such term in Section 2.3(a);

(uu) “**DIP Facility**” means the credit facility provided by DIP Lender to the Company as part of the CCAA Proceedings, as described by the DIP Financing Term Sheet dated December 14, 2023 between CPL Canada and the DIP Lender;

(vv) “**DIP Lender**” has the meaning given to such term in the ARIO;

(ww) “**DIP Lender’s Charge**” has the meaning given to it in the ARIO;

(xx) “**Directors’ Charge**” has the meaning given to it in the ARIO;

(yy) “**EDC Facility**” means the credit agreement dated March 6, 2018 between, *inter alia*, Export Development Canada, as lender and CPL Canada, as borrower, as amended;

(zz) "**EDC Intercreditor Agreement**" means the intercreditor agreement dated December 6, 2018 between Royal Bank of Canada, Export Development Canada, Deerfield Private Design Fund IV, L.P., and CPL Canada, as amended;

(aaa) "**EDC Security Agreement**" means, collectively, the General Security Agreement dated November 19, 2015, between, *inter alia*, CPL Canada and Royal Bank of Canada, as amended;

(bbb) "**Employee Plans**" means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings, with the exception of statutory or government sponsored plans, with respect to some or all of the current or former directors, officers, employees, contractors or consultants of the Company or the beneficiaries or dependents of any such Persons to which the Company is a party to or bound by or to which the Company has an obligation to contribute relating to:

(i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, share compensation, share purchase or share option purchase, share appreciation rights, phantom stock, employee loans, or any other compensation or perquisites (including vehicles) in addition to salary;

(ii) retirement or retirement savings, including, without limitation, registered or unregistered pension plans, pensions, supplemental pensions, registered retirement savings plans and retirement compensation arrangements; or

(iii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short-term disability, long-term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor's benefits, vacation or vacation pay, sick pay, supplementary employment insurance, day care, tuition or professional commitments or expenses or similar employment benefits and post-employment benefits,

but excluding any statutory benefit plans which the Company is required to participate in or comply with, including the Canada Pension Plan and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;

(ccc) "**Employees**" means all individuals who, as of Closing Time, are employed by the Company, whether on a full-time or part-time basis, and including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired and "**Employee**" means any one of them;

(ddd) "**Encumbrance**" means all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs

of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances or adverse claims of any nature, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise;

(eee) "**Encumbrances to Be Discharged**" means all Claims and Encumbrances on the Retained Assets, including the Encumbrances listed in Schedule "B", an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that any additional Encumbrances to be Discharged must be consented to by the Seller, such consent not to be unreasonably withheld, conditioned or delayed, and consented to by the Monitor), the CCAA Charges, and any other charge granted by the Court in the CCAA Proceedings, and excluding only the Permitted Encumbrances.

(fff) "**Equity Commitment Letter**" means the equity commitment letter dated as of the date hereof from the Investors to the Buyer, pursuant to which pursuant to which each of the Investors have committed, subject to the terms and conditions set forth therein, to provide the Buyer with equity financing to consummate the transactions contemplated by this Agreement.

(ggg) "**Excluded Assets**" means: (i) all rights, covenants, obligations and benefits in favour of ResidualCo under this Agreement that survive Closing; (ii) all amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence); and (iii) those assets listed in Schedule "C", an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Excluded Assets and may not remove any Excluded Assets that were listed as of the date hereof without the Seller's written consent, not to be unreasonably withheld, conditioned or delayed and the consent of the Monitor);

(hhh) "**Excluded Contracts**" means all Contracts that are not Retained Contracts, including those Contracts listed in Schedule "D" an amended list of which may be delivered by the Buyer no later than two (2) Business Days before the Closing Date;

(iii) "**Excluded Liabilities**" means all Claims and Encumbrances (other than Permitted Encumbrances) in respect of or against the Company relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, inter alia, the non-exhaustive list of those certain Liabilities set forth in Schedule "E", all pre-filing Claims (other than Pre-Filing Stayed Unsecured Claims), all amounts owing by the Company to the Seller and Glasshouse Pharmaceuticals LLC (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence) including any amounts owing in respect of Taxes, any and all Claims relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions (including any change of control obligations or Existing Equity in

respect of Terminated Employees and Continuing Employees) and to which the Company may be bound as at the Closing Time and Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing, Liabilities for Terminated Employees and all Liabilities to or in respect of the Company's Affiliates (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence). Without limiting the foregoing, Excluded Liabilities includes all Liabilities that are not Assumed Liabilities but excludes all Assumed Liabilities;

(jjj) "**Existing Equity**" means any capital share, capital stock, partnership, membership, joint venture, warrant, option or other ownership or equity interest, participation or securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of the Company (including, for the avoidance of doubt, the Contingent Value Rights and the Warrants);

(kkk) "**FDA**" means the U.S. Food and Drug Administration;

(lll) "**FedDev Facility**" means the contribution agreement dated March 16, 2015, between His Majesty the King in Right of Ontario, as represented by the Minister of Infrastructure for Federal Economic Development Agency for Southern Ontario, CPL Canada and CPL Canada Holdco, as amended;

(mmm) "**Final**" with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and the Seller) or vacated (or, if leave to appeal, reconsideration, or appeal has been sought, it has been dismissed, and any stay has been vacated) and all specified time periods within which leave to appeal or reconsideration could at law be sought shall have expired;

(nnn) "**Financial Advisor's Charge**" has the meaning given to it in the ARIO;

(ooo) "**Former Employees**" means those employees identified in writing by the Buyer to Seller prior to the Closing as Former Employees that ceased to be Employees prior to December 15, 2023;

(ppp) "**Glasshouse Canada**" means Glasshouse Pharmaceuticals Limited Canada;

(qqq) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:

(i) having jurisdiction over the Seller, the Buyer, the Company, the Business or the Assumed Liabilities on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or

(ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;

(rrr) "**Governmental Authorizations**" means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Company relating to the Company or the Business by or from any Governmental Authority;

(sss) "**GST/HST**" means all goods and services tax and harmonized sales tax imposed under the ETA (including, for greater certainty, any provincial component of such harmonized sales tax), and any other similar statute enacted by the provinces or territories of Canada;

(ttt) **"Identified Customers**" means three customers of the Company that Buyer has identified in writing to the Company on the date hereof;

(uuu) "**including**" and "**includes**" shall be interpreted on an inclusive basis and shall be deemed to be followed by the words "without limitation";

(vvv) "**Initial CCAA Order**" has the meaning given to such term in Recital C;

(www) "**Interim Period**" means the period from the date of this Agreement until the Closing Time;

(xxx) "**Inventories**" means items that are held by the Company for sale, license, rental, lease, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situate including inventories of raw materials, work-in-progress, finished goods and by-products, operating supplies and packaging materials;

(yyy) "**Investors**" means Aterian Investment Partners IV, LP and Aterian Investment Partners IV-A, LP.

(zzz) "**KERP Charge**" has the meaning given to it in the ARIO;

(aaaa) "**Key Licences**" means the following Permits and Licenses issued in the name of CPL Canada: (i) drug establishment licence #100022-A for 7600 Danbro Crescent, Mississauga, Ontario; (ii) drug establishment licence #100022-D for 2145 Meadowpine Blvd, Mississauga, Ontario; (iii) controlled drugs and substances licence #6-0728 for 7600 Danbro Crescent, Mississauga, Ontario; (iv) controlled drugs and substances licence #6-0730 for 2145 Meadowpine Blvd, Mississauga, Ontario; and (v) licence # L-R2-03505-21-CS-00 issued pursuant to the *Human Pathogens and Toxins Act*.

(bbbb) "**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or

unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;

(cccc) "**Material Adverse Change**" or "**Material Adverse Effect**" means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the Retained Assets, Assumed Liabilities, condition (financial or otherwise), operations or results of operations of the Company or the Business, taken as a whole; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from (in whole or in part): (A) any action expressly required, permitted or contemplated by this Agreement (including pursuant to Sections 6.4, 6.5 or 9.2) or relating to the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to ASPE or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts of terrorism, or acts of God; (H) any action consented to by the Buyer in writing; (I) any change in the forecasts or projections of the Company or the Business, or any failure by the Seller to meet any projections or estimates (including internal projections or estimates and the cash flow forecasts filed in the CCAA Proceedings or the DIP Budget) of revenues, earnings, working capital or performance for any period (it being understood that the causes underlying any such change or failure, if not otherwise excluded pursuant to this definition, may be considered to determine whether same constitutes a Material Adverse Change or Material Adverse Effect); (J) any action, change, development, effect, event, circumstance, fact or occurrence that (1) is attributable to, consented to or otherwise caused by the Buyer or (2) arises from the negotiation, announcement or pendency of this Agreement or the Transactions or the identity, nature or ownership of the Buyer; and (K) the CCAA Proceedings or any order of the Court made in the CCAA Proceedings provided, however, that any change or effect referred to in clause (B), (C), (D), (E), (F) or (G) above does not primarily relate only to (or have the effect of primarily relating only to) the Company and the Business, or disproportionately affects the Company and the Business compared to other entities of similar size and nature operating in a similar industry in the same jurisdictions in which the Company operates, in which case the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to above shall not be applicable;

(dddd) "**Material Health Regulatory Incident**" means: (i) the Company ceases to have the minimum designated regulatory personnel necessary to carry on the

Business in accordance with the terms of one or more of the Key Licences which has not been rectified to the satisfaction of Health Canada or the Buyer prior to Closing; (ii) a product manufactured, fabricated, packaged and/or labelled at the Company's facilities and/or distributed by the Company is subject to a Class I or Class II recall that has a Material Adverse Effect on the Business; or (iii) the Company has been subject to a physical inspection or received a written inspection report (including any report of inspectional observations, FDA Form 483s, inspection exit notices or establishment inspection reports) from the FDA, Health Canada or the Public Health Agency of Canada (A) in which the FDA has classified the inspection as "official action indicated" or Health Canada or the Public Health Agency of Canada has found a non-compliance rating in respect of the Key Licences or asserted or alleged in writing that the operations of the Company are not in material compliance with Applicable Law (for greater certainty, excluding any observations or correction actions noted in the context of an otherwise compliance rating or compliance with Applicable Law confirmation) and (B) which has not been rectified to the satisfaction of the applicable Governmental Authority or the Buyer prior to Closing. For the avoidance of doubt, any rectification that is satisfactory to Health Canada or any other applicable Governmental Authority shall be deemed to be satisfactory to Buyer hereunder;

(eeee) "**Monitor**" has the meaning given to such term in Recital B;

(ffff) "**Monitor's Certificate**" means the certificate, substantially in the form to be attached as Schedule "A" to the Approval and Vesting Order, to be delivered to the Buyer and filed with the Court by the Monitor;

(gggg) "**Non-Recourse Persons**" has the meaning set forth in Section 10.4;

(hhhh) "**ordinary course of the Business**" means ordinary course of the Business having regard to the Company's current financial condition and the CCAA Proceedings;

(iiii) "**Outside Date**" means May 29, 2024 or such later date as provided for in Section 6.5(d);

(jjjj) "**Parties**" means the Seller and the Buyer collectively, and "**Party**" means either of the Seller or the Buyer;

(kkkk) "**Permitted Encumbrances**" means only the Encumbrances related to the Retained Assets listed in Schedule "F";

(llll) "**Permits and Licenses**" means the permits, licenses, Governmental Authorizations, approvals or other evidence of authority related to the Business issued to, granted to, conferred upon, or otherwise created for the Company;

(mmmm) "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee,

executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

(nnnn) "**Portfolio Companies**" persons in which Aterian Investment Partners or its Affiliates invest or have an economic interest or other business relationships (other than the Buyer);

(oooo) "**Post-Filing Trade Amounts**" means any accrued and unpaid amounts related to or in connection with the Business owing by the Company, or due in the future, to third parties relating to the period from and including December 15, 2023, that are unpaid as of the Closing (but excluding, for the avoidance of doubt, the professional fees, costs and expenses owing by the Company that will be satisfied at or prior to the Closing or that will be fully satisfied from the Administrative Expense Reserve);

(pppp) "**Pre-Closing Reorganization**" has the meaning set forth in Section 6.5(b);

(qqqq) "**Pre-Filing Stayed Unsecured Obligations**" means the Claims, including Cure Costs, identified in writing by the Buyer to the Seller and the Company on the date hereof, in such amounts as may be agreed to between the Buyer and the third party to which such Pre-Filing Stayed Unsecured Obligations are payable (and for the avoidance of doubt, in the absence of such agreement, such Claims may, at Buyer's discretion and by providing notice in writing to Seller and the Monitor no later than two (2) Business Days prior to the Closing Date, be excluded from being Pre-Filing Stayed Unsecured Obligations, provided that (i) the aggregate maximum amount of such Claims that may be excluded from the Pre-Filing Stayed Unsecured Obligations shall not exceed the amount identified in writing by the Buyer to the Seller and the Monitor on the date hereof concurrently with the execution of this Agreement, and (ii) no Cure Costs may be excluded), subject to a maximum aggregate amount for all such Claims, including Cure Costs, of $10,829,236 (provided that such aggregate amount shall be adjusted from time to time based on the CAD/USD exchange rate posted on the Bank of Canada website from time to time to account for exchange rate fluctuations based on the underlying currency of the relevant Pre-Filing Stayed Unsecured Obligations);

(rrrr) "**Pre-petition Severance Amounts**" means Claims by the Former Employees;

(ssss) "**R&W Policy**" means a purchaser-side representation and warranty insurance policy, if bound at Closing in the name of and for the benefit of the Buyer and at the sole cost, expense and responsibility of Buyer;

(tttt) "**RBC Intercreditor Agreement**" means the intercreditor agreement dated December 6, 2018 between, *inter alia,* Royal Bank of Canada, Deerfield Private Design Fund IV, L.P., and CPL Canada, as amended;

(uuuu) "**RBC Facility**" means the credit agreement dated November 22, 2017 between, *inter alia*, Royal Bank of Canada, as lender and CPL Canada Holdco, as borrower, as amended;

(vvvv) “**RBC Security Agreement**” means, collectively, the General Security Agreement dated November 19, 2015, between, *inter alia*, CPL Canada and Royal Bank of Canada, as amended and the Investment Property Pledge Agreement dated December 6, 2018 between, *inter alia*, CPL Canada Holdco and Royal Bank of Canada, as amended;

(wwww) “**Released Claims**” means all Claims, including loss of value, professional fees, and including any “claim” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

(xxxx) “**ResidualCo**” means 1000834899 Ontario Inc., a corporation incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares;

(yyyy) “**Retained Assets**” has the meaning set forth in Section 2.5(b);

(zzzz) “**Retained Contracts**” means (i) all employment Contracts with Continuing Employees, and (ii) those Contracts listed on Schedule “G”, an amended list of which may be delivered to the Buyer from time to time no later than two (2) Business Days before the Closing Date;

(aaaaa) “**Seller**” has the meaning given to such terms in the preamble to this Agreement;

(bbbbb) “**Share Purchase Price**” has the meaning set forth in Section 2.2(a);

(ccccc) “**SISP**” has the meaning given to such term in Recital D;

(ddddd) “**SISP Approval Order**” has the meaning given to such term in Recital D;

(eeeee) “**Successful Bid**” has the meaning given to such term in the SISP;

(fffff) “**Tax**” and “**Taxes**” means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, value added, alternative, or add on minimum tax including GST/HST, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and Canada Pension Plan contributions, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind whatsoever imposed by any Governmental Authority including any installment payments, interest, penalties, fines or other additions associated therewith, whether or not disputed;

(ggggg) "**Taxing Authority**" means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;

(hhhhh) "**Terminated Employee Escrow Fund Agreement**" means the escrow agreement to be established on the Closing Date between the Monitor and the Buyer or an Affiliate thereof for purposes of holding and disbursing the Terminated Employee Fund to the Terminated Employees, in form and substance reasonably satisfactory to the Buyer, the Seller and the Monitor;

(iiiii) "**Terminated Employee Fund**" means a fund in the aggregate amount of $500,000 or such greater amount as Buyer may determine, in its sole and absolute discretion, to be held by the Monitor and funded by the Buyer effective as of the Closing Date by entering into the Terminated Employee Escrow Fund Agreement, the terms and conditions of which are summarized in Schedule "J", which, for the avoidance of doubt, will apply to all Terminated Employees regardless of number.

(jjjjj) "**Terminated Employee Fund Order**" means a terminated employee fund order of the Court substantially in the form attached hereto as Schedule "K" with such changes as the Seller and the Buyer may agree, each acting reasonably;

(kkkkk) "**Terminated Employees**" means those certain Employees set out in correspondence between Goodmans LLP and Osler, Hoskin & Harcourt LLP on the date hereof, together with such other Employees as Buyer may add as Terminated Employees by providing written notice to the Seller and the Monitor no later than two (2) Business Days before the Closing Date, provided that there will be at least 250 Continuing Employees at Closing (and for purposes of counting such 250 Continuing Employees, Employees that voluntarily resign or retire prior to Closing will be considered Continuing Employees);

(lllll) "**Transaction**" means, collectively, the Pre-Closing Reorganization, the sale and purchase of the CPL Shares pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the CPL Shares; and

(mmmmm) "**Warrants**" means, collectively, the warrant to purchase common stock granted to Deerfield Private Design Fund IV, L.P. and issued by Contract Pharmaceuticals Limited dated December 6, 2018; and the warrant to purchase common stock granted to Deerfield Private Design Fund III, L.P. and issued by Contract Pharmaceuticals Limited dated December 6, 2018.

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

Schedule	Description
Schedule A	Assumed Liabilities

Schedule B	Encumbrances to be Discharged
Schedule C	Excluded Assets
Schedule D	Excluded Contracts
Schedule E	Excluded Liabilities
Schedule F	Permitted Encumbrances
Schedule G	Retained Contracts
Schedule H	Closing Sequence
Schedule I	Approval and Vesting Order
Schedule J	Terminated Employee Fund Terms
Schedule K	Terminated Employee Fund Order

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute or regulations refers to that statute or those regulations, as the case may be, as may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the

Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as otherwise specifically set forth in this Agreement and any document required to be delivered pursuant to or in respect of this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (including, as applicable, the CCAA), without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of the Province of Ontario for the resolution of any disputes arising under or in connection with this Agreement. Each Party agrees that service of process on such Party as provided in Section 10.6 shall be deemed effective service of process on such Party.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of CPL Shares.

Subject to the terms and conditions of this Agreement, effective as and from the Closing Time, Seller shall sell, assign and transfer the CPL Shares to Buyer, and Buyer shall purchase the CPL Shares from Seller, free and clear of all Encumbrances (other than Permitted Encumbrances), with the result that Buyer shall become the sole shareholder of CPL Canada Holdco at the Closing Time.

2.2 Share Purchase Price and Closing Consideration.

(a) The aggregate purchase price (the "**Share Purchase Price**") payable by the Buyer to the Seller for the CPL Shares shall be $1.00.

(b) On the Closing Date, the Buyer shall pay to the Monitor an amount equal to the sum of the amounts set forth in the sixth step of the Closing Sequence as of the Closing as a loan by the Buyer to CPL Canada Holdco, which amounts have been estimated by the Seller to be approximately $57,516,345 (estimated as at April 30, 2024) (the "**Closing Consideration**"). For greater certainty, Seller's estimated amount in the preceding sentence is solely an estimate and not a maximum and the Closing Consideration shall be the aggregate amount of all Claims (including all costs and expenses, including any and all fees and such other amounts payable to financial and legal advisors) owing under the DIP Facility, the RBC Facility, the EDC Facility and the Deerfield Facility payable in the currency stipulated by each such Credit Facility.

(c) In addition to the Closing Consideration, on the Closing Date, the Buyer shall (i) pay to the Monitor the Administrative Expense Reserve as a loan by the Buyer to CPL Canada Holdco, and (ii) subject to the Company obtaining the Terminated Employee Fund Order, pay an amount equal to the Terminated Employee Fund to the Monitor to establish, or cause to be established, the Terminated Employee Fund in accordance with Section 6.12.

2.3 Satisfaction of the Share Purchase Price and the Closing Consideration

(a) The Buyer has paid to the Monitor $7,598,723.09 (the "**Deposit**") as a deposit towards the Share Purchase Price and the Closing Consideration, to be held by the Monitor in an interest bearing account, to be applied against the Closing Consideration or returned or forfeited, as the case may be, in accordance with the terms and conditions of this Agreement.

(b) The Buyer shall satisfy the Share Purchase Price and Closing Consideration at the Closing Time by:

(i) the Deposit plus all interest earned thereon, if any, being irrevocably released to the benefit of the Seller to the extent of $1.00 and applied against the Share Purchase Price;

(ii) the remainder of the Deposit and all interest thereon being irrevocably released to the Monitor and applied against the Closing Consideration; and

(iii) payment to the Monitor of the balance of the Closing Consideration.

2.4 Payment of the Administrative Expense Reserve and Terminated Employee Fund

(a) The Buyer shall satisfy its payment obligations pursuant to Section 2.2(c) at the Closing Time by:

(i) payment to the Monitor of the Administrative Expense Reserve; and

(ii) subject to the Company obtaining the Terminated Employee Fund Order, establishing, or causing to be established, the Terminated Employee Fund and funding the amount of the Terminated Employee Fund to the Monitor.

2.5 Transfer of Excluded Assets and Excluded Liabilities to ResidualCo.

(a) On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Vesting Order, the Excluded Assets, the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by ResidualCo, and the same shall be vested in ResidualCo pursuant to the Approval and Vesting Order.

(b) On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Retained Contracts, Permits and Licenses and books and records of the Company (the "**Retained Assets**"), except, however, any products or inventory sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo in accordance with the Closing Sequence on the Closing Date and same shall be vested in ResidualCo.

2.6 As is, Where is

THE BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE REPRESENTATIONS AND WARRANTIES OF THE SELLER IN Article 3 (ALL OF WHICH SHALL MERGE UPON THE CLOSING), THE BUSINESS AND THE CPL SHARES ARE PURCHASED AND THE RETAINED ASSETS AND THE ASSUMED LIABILITIES ARE RETAINED ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO THE SELLER OR THE MONITOR OR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS. THE BUYER AGREES TO ACCEPT THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE BUYER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Buyer acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by either of the Seller in this Agreement or in any instrument furnished in connection with this

Agreement, as to description, fitness for purpose, sufficiency to carry on any business, merchantability, quantity, condition, quality, value, suitability, durability, environmental condition, assignability or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are expressly excluded. The provisions of this Section 2.6 shall survive and not merge on Closing. Without limiting the generality of the foregoing, no representations or warranties have been given by any Party with respect to any Liabilities the Company or any Party has or may have with respect to Taxes, including in connection with entering into this Agreement, the issuance of the Approval and Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liabilities for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of any and all such Liabilities, if any, and the Buyer expressly confirms and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company in order to make an independent analysis of same.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Buyer and acknowledge that the Buyer is relying upon the following representations and warranties in connection with the Transaction:

3.1 Existence

The Seller is duly organized and validly existing under the laws of its jurisdiction of organization.

3.2 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and, subject to Court Approval being obtained, constitute valid and binding obligations of the Seller enforceable against it in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

3.3 Title to CPL Shares and Retained Assets

Seller is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the CPL Shares, with good and valid title thereto, and, subject to Court Approval being obtained and pursuant to the Approval and Vesting Order, Seller will transfer good and valid title to the CPL Shares to Buyer free and clear of all Encumbrances (other than Permitted Encumbrances). Subject to Court Approval being obtained, immediately prior to the Closing Time, there will be no issued and outstanding common shares or other securities of CPL Canada Holdco other than the CPL Shares nor are there

any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of CPL Canada Holdco. Subject to Court Approval being obtained, except for Buyer's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from Seller or CPL Canada Holdco of any of the CPL Shares, or any other equity interest in any Company, or the Retained Assets. All of the issued and outstanding shares of CPL Canada and Glasshouse Canada are owned by CPL Canada Holdco.

3.4 Absence of Conflicts

Except for the approvals set out in Section 3.5, Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under this Agreement or any Closing Documents to be entered into or delivered under the terms and conditions of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that (i) would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction, or (ii) will be addressed by the Approval and Vesting Order or other order of the Court made in the CCAA Proceedings. The Seller does not own any assets that are related to or required for the Business other than the shares of CPL Canada Holdco and Glasshouse Pharmaceuticals LLC does not have any material assets that are related to or required for the Business.

3.5 Approvals and Consents

Except for Court Approval, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by a Seller hereunder or otherwise in connection with the Transaction.

3.6 Permits and Licenses

The Company is not in default or breach of any Permits and License that would reasonably be expected to result in a Material Adverse Effect.

3.7 Employee Matters

Copies of all material Contracts or forms of Contracts for Employees and Employee Plans have been provided in the data room of the Company for the Transaction, including Contracts for any Employees with a salary in excess of $200,000 per annum, who have a change of control provision in their Contract or who have any severance entitlements that could reasonably be expected to exceed reasonable common law severance amounts. The virtual data room of the Company for the Transaction or other diligence information provided to the Buyer disclosed any material proceedings, actions, suit or claim pending

or threatened involving any Employee of the Company (other than Former Employees) and disclosed any strikes, labour disputes, work slow-downs or stoppages, material grievances or controversies, or other similar material labour relations difficulties affecting the Company.

3.8 Customer Contracts

True and complete copies of all Contracts with the Company's customers that provided for payments to the Company in an aggregate amount of $1,000,000 or more during the twelve (12) months ending October 31, 2023 and all Contracts (other than any individual task orders, purchase orders, delivery orders or shipping orders) with the Company's vendors that provided for payments by the Company in an aggregate amount of $100,000 or more during the twelve (12) months ending October 31, 2023 have been provided in the virtual data room of the Company for the Transaction, including Contracts with the Company's top ten customers by revenue, top ten vendors by spend and any Contracts with customers that have exclusivity provisions, most favoured nations provisions, non-compete provisions, rights of first offer or refusal or other similar provisions, in each case that remain in effect after Closing, provided that if any Contracts are not included in the virtual data room of the Company for the Transaction on the date hereof, such Contracts will be provided to the Buyer within five (5) Business Days of the date hereof.

3.9 Brokers

Except for amounts that will be satisfied by the Seller or for amounts payable to SSG Capital Advisors LLC and Raymond James Ltd. which have been disclosed to the Buyer on or before the date hereof, no broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon any arrangement made by or on behalf of the Seller.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with the Transaction:

4.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Due Authorization and Enforceability of Obligations

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action of the Buyer. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Buyer and constitute valid and binding obligations of the Buyer enforceable against it in accordance with their terms, except as such enforceability may be

limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.3 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms and conditions of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any Governmental Authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the Transaction.

4.4 Approvals and Consents

No authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or otherwise in connection with the Transaction.

4.5 Investment Canada Act

At the Closing Time, the Buyer will (a) be either a "Canadian" or "WTO investor" within the meaning of the *Investment Canada Act;* and (b) not be a "state-owned enterprise" within the meaning of the *Investment Canada Act.*

4.6 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment from the Seller in connection with the Transaction based upon any arrangement made by or on behalf of the Buyer.

4.7 Financing

The Buyer has, or will have at the Closing, sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Closing Consideration, the Administrative Expense Reserve and the Terminated Employee Fund and consummate the Transaction. The Buyer has delivered to the Seller a true and complete copy of the Equity Commitment Letter. As of the date hereof, the Equity Commitment Letter has not been amended or modified, no such amendment or modification is pending or contemplated, and the equity commitment pursuant thereto has not been withdrawn,

terminated or rescinded. The Equity Commitment Letter delivered to the Seller has been duly executed and delivered by the Buyer and each of the Investors, is valid, in full force and effect and in good standing, and is enforceable against the Buyer and each of the Investors in accordance with its terms.

4.8 Informed and Sophisticated Buyer

The Buyer is an informed and sophisticated buyer, and has engaged expert advisors and is experienced in the evaluation and purchase of distressed enterprises such as the Business as contemplated hereunder. The Buyer has undertaken such investigations and has been provided with and has evaluated such documents and information as it has received to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement.

ARTICLE 5
CONDITIONS

5.1 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

(a) the Buyer shall be satisfied in its sole and absolute discretion with the outcome of the discussions coordinated by the Company that the Buyer shall have with the Identified Customers following the date hereof; provided that this condition shall be deemed irrevocably satisfied if Buyer does not exercise its termination right pursuant to Section 8.1(g) by the Customer Deadline;

(b) the Court Orders shall have been issued and entered by the Court, and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the Court;

(c) an order has been obtained in respect of proceedings to recognize the CCAA Proceedings and enforce the Approval and Vesting Order in the United States pursuant to Chapter 15 of Title 15 of the United States Code (the "**Chapter 15 Proceedings**"), which shall be satisfactory to the Buyer, acting reasonably and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the applicable court;

(d) since the date hereof there shall not have occurred any Material Adverse Change;

(e) the Key Licences shall remain in good standing, unamended (except for any amendment(s) (i) pursuant to compliance with the Company Support Obligations in Section 6.4 or the Pre-Closing Reorganization in Section 6.5, (ii) that Buyer has consented to, or (iii) that would not have a negative impact on the Business or the

Assumed Liabilities), and since the date hereof there shall not have occurred any Material Health Regulatory Incident;

(f) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction shall be in effect;

(g) except as such representations and warranties may be affected by the Approval and Vesting Order, compliance with the Company Support Obligations in Section 6.4, or the Pre-Closing Reorganization in Section 6.5, the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any breach of a representation or warranty would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored) (other than the representations and warranties in Sections 3.1, 3.2, 3.3 and 3.9 which shall be true and correct in all respects as of the date hereof and the Closing Time);

(h) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;

(i) the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 5.1(g) and 5.1(h), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer; and

(j) the Buyer shall have received all other Closing Documents required pursuant to this Agreement to be delivered by the Seller on Closing in form and substance reasonably satisfactory to the Buyer.

5.2 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

(a) the Court Orders shall have been issued and entered by the Court, and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the Court;

(b) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction shall be in effect;

(c) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at

and as of such time, except where any breach of a representation or warranty would not, individually or in the aggregate, cause a material adverse effect on the Buyer's ability to consummate the Transaction (other than the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5 and 4.6 which shall be true and correct in all respects as of the date hereof and the Closing Time);

(d) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;

(e) the Monitor, on behalf of the Seller, shall have received the entirety of the Closing Consideration and the Administrative Expense Reserve;

(f) the Seller shall have received a certificate confirming the satisfaction of the conditions contained in Sections 5.2(c) and 5.2(d) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other Persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller;

(g) Buyer shall have paid an amount equal to the Terminated Employee Fund to the Monitor and the Terminated Employee Escrow Fund Agreement shall have been entered into by Monitor and the Buyer; and

(h) the Seller shall have received all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller.

ARTICLE 6
ADDITIONAL AGREEMENTS OF THE PARTIES

6.1 Access to Information

(a) Until the Closing Time, the Seller shall give to the Buyer's personnel engaged in the Transaction, including the Buyer Consultant, and their accountants, legal advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Company, the Business and the Assumed Liabilities and to members of the Seller's senior management, shall furnish them with all such information relating to the Company, the Business, and the Assumed Liabilities as the Buyer may reasonably request in connection with the Transaction, including copies of all Contracts, and shall coordinate reasonable access by the Buyer and Buyer Consultant to the customers and suppliers of the Business (provided that a representative of the Seller and the Monitor shall be entitled to participate in any discussions or other communications with customers or suppliers). Notwithstanding anything in this Section 6.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Company from

the files of such Governmental Authorities. Notwithstanding the foregoing, the Seller shall not be required to disclose any information, records, files or other data to the Buyer where prohibited by any Applicable Laws or such disclosure would have the effect of causing the waiver of any applicable privilege, unless the Parties have entered into a common interest privilege agreement in respect of the such information, records, files or other data and the Seller shall have consented to providing such privileged information, records, files or other data to the Buyer.

(b) The Seller may retain copies of all books and records included in the Retained Assets to the extent necessary or useful for the administration of the CCAA Proceedings (or any subsequent bankruptcy or wind-down of the remaining CCAA Applicants, including ResidualCo) or the filing of any Tax return, any Tax audit or compliance with any Applicable Law or the terms and conditions of this Agreement.

(c) Upon reasonable prior notice to the Buyer, the Seller, the Monitor and any trustee or wind-down officer appointed in respect of the remaining CCAA Applicants shall have access to, and the right to copy, at their own expense, for purposes of the CCAA Proceedings (or any subsequent bankruptcy or wind-down of any of the remaining CCAA Applicants) or the filing of any Tax return, any Tax audit or compliance with any Applicable Law or the terms and conditions of this Agreement, during usual business hours, all books and records included in the Retained Assets. From time to time following the Closing at the request of the Monitor, the Buyer shall make available knowledgeable employees of the Company to co-operate with the Monitor and respond to information requests in respect of the remaining CCAA Applicants, provided that such requests will be limited to reasonable requests for information or assistance by the Monitor that will not reasonably be expected to materially interfere with the day-to-day duties or activities of such employee for the Company and shall be at the remaining CCAA Applicants' sole expense.

6.2 Conduct of Business Until Closing Time

Except: (1) as expressly required or contemplated by this Agreement (including Sections 6.4, 6.5 and 9.2 herein) or by an order of the Court in the CCAA Proceedings; or (2) with the prior written consent of the Buyer (not to be unreasonably withheld, conditioned or delayed other than in respect of paragraphs (b), (c), (d), (e), (g), (l), (n), (p), (r)), during the Interim Period the Seller shall, and shall cause each Company to:

(a) operate the Business in the ordinary course in all material respects and use commercially reasonable efforts to: (i) preserve the Business and customer, vendors and employee relationships; (ii) pay the Post Filing Trade Amounts as they become due; (iii) maintain Inventory sufficient for addressing customer demand; (iv) comply with the disbursement budget under the DIP Facility as of the date hereof (subject to the Permitted Variance, as such term is defined in the DIP Facility), a true and complete copy of which as been provided to the Buyer as of the date hereof (the "**DIP Budget**");

(b) not declare, set aside or pay any cash or non-cash dividend or make any other cash or non-cash payment or distribution in respect of its outstanding securities;

(c) not amend any terms of the articles of incorporation or constating documents of the Company;

(d) not draw any amounts on the Credit Facilities or otherwise incur indebtedness thereunder other than (A) draws under the DIP Facility, (B) interest that accrues on amounts outstanding under the Credit Facilities and (C) fees and documented third-party expenses of the lenders pursuant to the terms of the Credit Facilities as contemplated in the DIP Budget;

(e) not to pay any amounts owing under the Credit Facilities or any Pre-Filing Stayed Unsecured Obligations except as permitted by paragraph 8(c) of the ARIO in respect of payments to suppliers;

(f) not (i) make, revoke or change any method of Tax accounting or material Tax election, (ii) file any amended Tax return with respect to material amounts of Taxes, (iii) enter into any closing agreement with respect to Taxes or settle or compromise any Tax claim or assessment, (iv) consent to any extension or waiver of the limitation period with respect to Taxes, or (v) initiate any voluntary Tax disclosure or request any Tax ruling, in each case, relating to, or otherwise affecting, the Company;

(g) not enter into a Contract with an Affiliate other than on arm's length terms;

(h) not waive, release, assign, pay, discharge, settle, satisfy or compromise any Action (including any pending or threatened Action) that would result in an Assumed Liability or any material restriction, or other material obligation, on the conduct of the Business, or commence any such Action;

(i) not make any material changes in financial accounting methods, principles or practices materially affecting the consolidated assets, Liabilities or results of operations, except insofar as may be required by ASPE or applicable Law;

(j) not accelerate the collection of any accounts receivable in relation to their applicable due dates, or otherwise fail to manage working capital in the ordinary course and consistent with the DIP Budget, in each case, in any material respect;

(k) not transfer, lease, license, sell, abandon or create any Encumbrance on or otherwise dispose of any of the Company's assets, except sales of Inventory in the ordinary course of the Business;

(l) not amend any of the Credit Facilities or the DIP Facility, except, in the case of extensions of the maturity date and amendments to the milestones in the DIP Facility as may be necessary to accommodate the Transaction; provided that any fees, third party expenses or other costs incurred by the Company as a result of such extensions or amendments will not exceed any corresponding amounts or limits set

forth in the DIP Budget and no such extensions or amendments will increase the fees payable to the DIP Lender;

(m) not grant any increase in the rate of wages, salaries, benefits, bonuses or other remuneration of any Employee (other than in the ordinary course of Business consistent with past practice);

(n) not take any action with respect to the amendment or grant of any "change of control", severance, termination pay, pay in lieu of notice of termination or retention policies or arrangements for any directors, officers, employees or contractors;

(o) not hire or retain the services of any executive officer or director, or terminate the services of any executive officer or director other than for cause;

(p) not adopt any new bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock option plan, fund or arrangement for the benefit of employees, officers, directors or contractors;

(q) not amend any Employee Plan or enter into a new Employee Plan;

(r) not amend, terminate or assign any Key License or Contract that is material to the Business;

(s) not amend, terminate or assign any Permits and Licenses (other than a Key License) or a Contract that is not material to the Business;

(t) not materially delay or amend payment terms for any Post-Filing Trade Amounts or amend payment terms for any Pre-Filing Stayed Unsecured Obligations;

(u) not grant any material refunds, credits, rebates, or allowances to customers or accelerate or delay collections;

(v) not waive, release, permit the lapse of, relinquish or assign any material rights under any Contract that is material to the Business;

(w) keep in full force and effect all of its existing insurance policies (including as they relate to Employee Plans) and give any notice or present any claim under any such insurance policies in a manner consistent with past practices of the Company and in the ordinary course of the Business;

(x) not enter into any Contract related to the Business, except for Contracts that are purchase orders entered into in the ordinary course of the Business that are included in the DIP Budget and do not exceed $200,000 individually or $5,000,000 in the aggregate;

(y) not authorize, or commit or agree, in writing or otherwise, to take, any of the actions that are prohibited by the foregoing covenants;

(z) not terminate any Employees, other than the Terminated Employees in accordance with Section 6.2(aa);

(aa) terminate the employment of the Terminated Employees by providing written notice of termination ("**Termination Notices**") in a form satisfactory to the Buyer, acting reasonably and at such time reasonably requested by the Buyer, to each Terminated Employee with the termination of employment to be effective at least one (1) Business Day prior to Closing, it being acknowledged that the Company shall pay all accrued vacation pay owing to such Terminated Employees upon the termination of their employment. Seller shall provide Buyer with copies of all Termination Notices prior to Closing; and

(bb) provide to the Buyer the Company's draft response in respect of the Health Canada Notice of Compliant Rated Inspection Exit Notice dated March 27, 2024 at least 72 hours prior to submission of the draft response to Health Canada to allow the Buyer to review and comment on the draft response and Seller shall cause Company to give reasonable consideration to all such comments that are provided by Buyer in writing no later than 48 hours after Seller shares the draft response with Buyer.

6.3 Approvals and Consents

The Seller shall as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any Governmental Authorities whose consent is required for consummation of the Transaction, if any, and the Seller will request any expedited processing available.

6.4 Company Support Obligations

(a) During the Interim Period Seller shall, and shall cause the Company to, subject to any approval of the Monitor required by the ARIO, as applicable:

(i) use commercially reasonable efforts to facilitate any calls or meetings between the Buyer and the Identified Customers and between the Buyer and the Company's other customers that Buyer reasonably requests;

(ii) with the cooperation of or as directed by the Buyer, at the sole cost and expense of Buyer (in respect of any out-of-pocket expenses) and with the participation of the Buyer Consultant, negotiate amounts and payment terms for the Pre-Filing Stayed Unsecured Obligations; provided that any payment of the Pre-Filing Stayed Unsecured Obligations shall be subject to Closing;

(iii) consider in good faith with the Buyer Consultant any actions or changes to the Business which may increase operational efficiencies both before and after Closing; provided that the Seller has no obligation to implement any

actions or changes until following Closing except as otherwise may be required hereby;

(iv) promptly notify the Buyer, in writing, of receipt of any notice, demand, request or inquiry by any Governmental Authority concerning the Transactions and in writing;

(v) use commercially reasonable efforts to, upon request of the Buyer, cooperate and assist the Buyer in obtaining a R&W Policy prior to Closing, at the sole cost, expense and responsibility of Buyer; and

(vi) the Company will promptly notify the Buyer of any Material Adverse Effect occurring from and after the date hereof.

6.5 Pre-Closing Reorganizations

(a) Subject to Section 6.5(c) and subject to the conditions set forth in Section 5.1(a) and 5.1(b) having been satisfied, the Seller agrees that, upon request of Buyer, Seller shall, and shall cause the Company to (i) transfer the shares of Glasshouse Canada to CPL Canada in exchange for the issuance of a common share(s) of CPL Canada to CPL Canada Holdco (which will occur on a tax deferred basis in accordance with section 85 of the *Income Tax Act* (Canada)) and commence the wind-up of Glasshouse Canada into CPL Canada; and (ii) request a change in the fiscal period and taxation year of CPL Canada Holdco, CPL Canada and Glasshouse Canada for purposes of the *Income Tax Act* (Canada) with the Canada Revenue Agency to such date requested by the Buyer.

(b) Subject to Section 6.5(c) and subject to the conditions set forth in Article 5 having been satisfied (other than those conditions that by their nature are to be satisfied at closing of the Transaction) or, where not prohibited, waived by the applicable Party or Parties in whose favour the condition is, the Seller agrees that, no earlier than the Business Day immediately prior to the Closing Date and upon request of Buyer, Seller shall, and shall cause the Company to (i) set-off amounts owing by the Company to the Seller or Glasshouse Pharmaceuticals LLC against amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company; (ii) otherwise settle any amounts outstanding between each of CPL Canada Holdco, CPL Canada and Glasshouse Canada and any other intercompany amounts, in each case in the manner specified by the Buyer acting reasonably; and (iii) with the consent of Seller, not to be unreasonably withheld, conditioned or delayed, perform such other reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as Buyer may request, acting reasonably (each such action, together with the actions in Section 6.5(a), a "**Pre-Closing Reorganization**"). The Seller agrees to use commercially reasonable efforts to cooperate with the Buyer and its advisors to determine the nature of any Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, including filing or causing the Company to file available elections or designations reasonably required to effect the Pre-Closing

Reorganizations if such filing is reasonably proposed to made at or prior to Closing, and to cooperate with the Buyer and its advisors to seek to obtain consents or waivers which might be required under any Retained Contracts or Governmental Authorizations in respect of any Pre-Closing Reorganization. At the sole option of the Seller, acting reasonably and following consultation with the Buyer, the Company will file any available election under paragraph 15(2.11)(d) of the *Income Tax Act* (Canada) in respect of amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company.

(c) Notwithstanding the foregoing, the Seller and Company will not be obligated to participate in any Pre-Closing Reorganization if the Seller determines acting reasonably that such Pre-Closing Reorganization would (i) materially impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 5, or the ability of the Buyer and Seller to consummate, or materially delay the consummation of, the Transaction, or (ii) in the case of an action contemplated in Section 6.5(b), (A) materially alter or impact the consideration which the CCAA Applicants and/or their applicable stakeholders will benefit from as part of the Transactions, or (B) have adverse tax consequences, or impose any Liability on, the remaining CCAA Applicants, the Monitor or any director of the Company in each case that is greater than the amount of such tax consequences or Liability in the absence of such action.

(d) This Agreement (including the Closing Sequence) will be amended and restated as required to give effect to a Pre-Closing Reorganization. Additionally, the Buyer may, on written notice to the Seller, determine to acquire the CPL Canada shares in exchange for the Share Purchase Consideration and the Parties shall amend and restate this Agreement to reflect such change if such notice is provided; provided that the Parties shall use reasonable best efforts to structure such amendment to the Transaction for the purchase of the CPL Canada shares in a manner that does not give rise to any Liability of any director of the Company or the Monitor in respect of any Company Taxes. If the Buyer requires a Pre-Closing Reorganization, provided that Buyer has first waived the conditions in Sections 5.1(a), 5.1(d) and 5.1(g), the Buyer may, in its sole and absolute discretion, extend the Outside Date by up to 21 days by providing written notice to the Seller and Monitor.

6.6 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Applicable Laws to consummate and make

effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

6.7 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

6.8 Advice and Direction

The Parties acknowledge that the Monitor is entitled (but not required) to seek the advice and directions of the Court in respect of any determination to be made, consent right to be exercised or other action to be taken by the Monitor under this Agreement.

6.9 Release by the Buyer

Except in connection with any obligations of the Company contained in this Agreement, any Closing Document or the Court Orders, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, Buyer and its Affiliates (including the Company) hereby irrevocably release and forever discharge the Seller, the Monitor, the respective lender parties of the Credit Facilities, and each of their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, representatives and advisors (including financial and legal advisors) of each of them (the "**Company Released Parties**"), whether in this jurisdiction or any other, whether or not presently known to them or to the law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Buyer and its Affiliates (including the Company) ever had, now has or ever may have or claim to have against any of the Company Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time (including, where applicable, in their capacity as equity holders of the Company), save and except for any Claims arising out of fraud or willful misconduct.

6.10 Release by the Company

Except in connection with the obligations of the Buyer contained in this Agreement, any Closing Documents or the Court Orders or the obligations of the Investors under the Equity Commitment Letter, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, the Company and its Affiliates (including ResidualCo) hereby irrevocably release and forever discharge the Buyer, the Monitor, the respective lender parties of the Credit Facilities, and each of their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, representatives and advisors (including financial and legal advisors) of each of them (the "**Buyer Released Parties**"), whether in this jurisdiction or any other, whether or not presently known to them or to the

law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Company and its Affiliates (including ResidualCo) ever had, now has or ever may have or claim to have against any of the Buyer Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time, save and except for any Claims arising out of fraud or willful misconduct.

6.11 Conflict Waiver; Solicitor Client Privilege

(a) Each of the Parties acknowledges and agrees, on its own behalf and on behalf of its directors, members, shareholders, partners, officers, employees and Affiliates, that:

(i) Goodmans LLP has acted as counsel to the Seller and its Affiliates (not including the Company) (collectively, the "**Seller Group**") and the Company, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. The Buyer agrees, and shall cause the Company to agree, that, following consummation of the transactions contemplated hereby, such representation and any prior representation of the Company by Goodmans LLP (or any successor) (the "**Seller Group Law Firm**") shall not preclude Seller Group Law Firm from serving as counsel to the Seller Group or any director, member, shareholder, partner, officer, or employee of the Seller Group, in connection with any litigation, claim, or obligation arising out of or relating to this Agreement or the transactions contemplated hereby.

(ii) The Buyer shall not, and shall cause each Company not to, seek or have Seller Group Law Firm disqualified from any such representation based on the prior representation of the Company by Seller Group Law Firm. Each of the Parties hereby consents thereto and waives any conflict of interest arising from such prior representation, and each of such Parties shall cause any of its Affiliates to consent to waive any conflict of interest arising from such representation. Each of the Parties acknowledges that such consent and waiver is voluntary, that it has been carefully considered, and that the parties have consulted with counsel or have been advised they should do so in connection herewith. The covenants, consent and waiver contained in this Section 6.11(a) shall not be deemed exclusive of any other rights to which Seller Group Law Firm is entitled whether pursuant to law, contract, or otherwise.

(b) All communications prior to Closing between the Seller Group or the Company, on the one hand, and Seller Group Law Firm, on the other hand, relating to the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (the "**Privileged Communications**") shall be deemed to be solicitor-client privileged and the expectation of client confidence relating thereto shall survive Closing, and from and after Closing shall belong solely to the Seller Group and shall not pass to or be

claimed by the Buyer or any Company. Accordingly, the Buyer and the Company shall not have access to any Privileged Communications or to the files of Seller Group Law Firm relating to such engagement from and after Closing. Without limiting the generality of the foregoing, from and after the Closing, (i) the Seller Group (and not the Buyer or any Company) shall be the sole holders of the solicitor-client privilege with respect to such engagement, and none of the Buyer or any Company shall be a holder thereof, (ii) to the extent that files of Seller Group Law Firm in respect of such engagement constitute property of the client, only the Seller Group (and not the Buyer or any Company) shall hold such property rights and (iii) Seller Group Law Firm shall have no duty whatsoever to reveal or disclose any such Privileged Communications or files in respect thereof to the Buyer or any Company by reason of any solicitor-client relationship between Seller Group Law Firm and the Company or otherwise. Notwithstanding the foregoing, in the event that after Closing a dispute arises between the Buyer or its Affiliates (including the Company), on the one hand, and a third party other than any of the Seller Group, on the other hand, the Buyer and its Affiliates (including the Company) may assert the solicitor-client privilege to prevent disclosure of any Privileged Communications to such third party; provided, however, that neither the Buyer nor any of its Affiliates (including the Company) may waive such privilege in respect of any Privileged Communications (if asserted in accordance with the prior sentence) without the prior written consent of the Seller Group, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that the Buyer or any of its Affiliates (including the Company) is legally required by Governmental Order or otherwise legally required to access or obtain a copy of all or a portion of the Privileged Communications, to the extent (x) permitted by Applicable Law, and (y) advisable upon advice of the Buyer's counsel, then the Buyer shall immediately (and, in any event, within five Business Days) notify the Seller in writing so that the Seller can seek a protective order. In furtherance of the foregoing, each of the Parties agrees that (i) no waiver is intended by failing to remove all Privileged Communications from the Company's files and computer systems, and (ii) after Closing the Parties will use commercially reasonable efforts to take the steps necessary to ensure the Privileged Communications are held and controlled by the Seller Group. The Buyer agrees that after Closing none of the Buyer, the Company, or their Affiliates will, directly or indirectly, use, disclose or assert the Privileged Communications in any action, litigation, claim, or dispute against or involving the Seller Group.

(c) This Section 6.11 is intended for the benefit of, and shall be enforceable by, Seller Group.

6.12 Terminated Employee Fund

Subject to the Company obtaining the Terminated Employee Fund Order, the Buyer shall pay to the Monitor, by wire transfer of immediately available funds, an amount equal to the Terminated Employee Fund and the Monitor will establish, or cause to be established, the Terminated Employee Fund on the Closing Date, to be held in escrow and distributed in accordance with the provisions of the Terminated Employee Fund Escrow Agreement.

Any residual balance in the Terminated Employee Fund after the final distribution amounts from the Terminated Employee Fund shall be an asset of and owned by the Buyer, and shall be distributed to Buyer as specified in the Terminated Employee Fund Escrow Agreement. The Seller shall cooperate with the escrow agent of the Terminated Employee Fund and use commercially reasonable efforts to assist it in carrying out its duties under the Terminated Employee Fund Escrow Agreement.

ARTICLE 7
COURT ORDERS

7.1 Court Orders

(a) The Seller shall serve and file a motion with the Court seeking the issuance of the Court Orders.

(b) From and after the date of this Agreement and until the Closing Date, the Seller shall, and shall cause the Company to, deliver to counsel to the Buyer drafts of any and all pleadings, motions, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by the Company in connection with or related to this Agreement, for the Buyer's prior review at least two (2) Business Days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers in respect of the Court Orders (other than reports of the Monitor) shall be in form and substance satisfactory to the Buyer, acting reasonably, and (ii) to consult and cooperate with the Buyer regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

(c) The Buyer shall cooperate with the Seller acting reasonably, as may be reasonably necessary, in seeking to obtain the Court Orders, including providing such evidence of financial wherewithal for the Company to perform the Assumed Liabilities as and when due as may be reasonably requested by the Seller or Monitor or required by the Court.

(d) The Seller shall use its reasonable best efforts to obtain the Court Orders as soon as practicable. Buyer acknowledges that Court time has been scheduled for April 12, 2024.

(e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on the service list for the CCAA Proceedings prepared by the CCAA Applicants and reviewed by the Monitor, and any other Person as may be reasonably requested in writing by the Buyer.

ARTICLE 8
TERMINATION

8.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

(a) by either Party if Closing does not occur on or before the Outside Date; provided, however, that the Party seeking to terminate this Agreement may not terminate pursuant to this Section 8.1(a) if the Closing's non-occurrence on or before the Outside Date is caused by such Party's failure to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date;

(b) subject to any approvals required from the Court or otherwise pursuant to the CCAA Proceedings, and with the consent of the Monitor, by mutual written consent of the Seller and the Buyer;

(c) by either Party, upon written notice to the other, if a Governmental Authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become a Final Order;

(d) by the Seller upon written notice to the Buyer and with the consent of the Monitor, if there has been a material violation or breach by the Buyer of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 5.2 on or before the Outside Date and such violation or breach has not been waived by the Seller or cured within ten (10) days after written notice thereof from the Seller, unless a Seller is in material breach of its obligations under this Agreement;

(e) by the Buyer upon written notice to the Seller, if there has been a material violation or breach by a Seller of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 5.1 on the Closing Date and such violation or breach has not been waived by the Buyer or cured within ten (10) days after written notice thereof from the Buyer, unless the Buyer is in material breach of its obligations under this Agreement;

(f) by the Buyer or the Seller if the Court declines to grant the Approval and Vesting Order in respect of the Transaction; provided, however, that the Party seeking to terminate this Agreement may not terminate pursuant to this Section 8.1(f) if the Court's aforementioned non-approval of the Transaction is caused by such Party's failure to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with before the Closing Date; and

(g) by the Buyer upon written notice to the Seller if: (i) the Buyer determines that the condition in Section 5.1(a) will not be met; or (ii) the Company has not arranged a call between Buyer and each Identified Customer to be held prior to the Customer Deadline. The termination right in this Section 8.1(g) will terminate and be of no

further force or effect unless exercised by Buyer in writing by the Customer Deadline; and

(h) by the Buyer if there occurs an event of default under the DIP Facility and the DIP Lender provides notice to the Company that it is accelerating payment of amounts owing by the Company under the DIP Facility.

8.2 Effect of Termination

(a) In the event of termination of this Agreement pursuant to Section 8.1, this Agreement shall forthwith become null and void, except as set forth in this Section 8.2 and Article 10, provided that, subject to Section 8.2(b), nothing herein shall impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement prior to such termination or such obligations that expressly survive termination (including the Seller's right to compel specific performance of the Investors' obligations under the Equity Commitment Letter prior to the termination of the Agreement).

(b) If this Agreement is terminated pursuant to Section 8.1 (other than Section 8.1(d)) the Deposit shall be returned to the Buyer together with any interest earned thereon within two (2) Business Days following the date of termination of this Agreement and the return of the Deposit plus any interest earned thereon shall be the sole and exclusive remedy of the Buyer in respect of such termination (including the actions, events, circumstances or otherwise giving rise to such termination) and the Buyer hereby expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which the Buyer may or would otherwise be entitled to as against the Seller.

(c) If this Agreement is terminated pursuant to Section 8.1(d), the Deposit together with any interest thereon shall be forfeited by the Buyer to, and become the sole property of, the Seller as liquidated damages and not as a penalty to compensate the Seller and the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions. Subject to Seller's right to seek specific performance under Section 8.2(a) prior to termination of this Agreement, the Seller agrees that the Deposit, plus any accrued interest, shall be the sole and exclusive remedy of the Seller in respect of any violation or breach by the Buyer of this Agreement and termination of the Agreement and the Seller hereby expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which the Seller may or would otherwise be entitled to as against the Buyer. Without prejudice to the Seller's right to seek specific performance prior to termination of this Agreement, the Parties agree that the amount of the Deposit (plus all interest accrued thereon) constitutes a genuine pre-estimate of the Seller's liquidated damages as a result of the Closing not occurring. The Buyer hereby waives any claim or defence that the amount of the Deposit (plus all interest accrued thereon) is a penalty or is otherwise not a genuine pre-estimate of the Seller's liquidated damages.

ARTICLE 9
CLOSING

9.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date by means of an electronic closing, or such other place or fashion as may be agreed upon in writing by the Parties, in which the closing documentation will be delivered by email exchange of signature pages in PDF or functionally equivalent electronic format, which delivery will be effective without any further physical exchange of the originals or copies of the originals except as otherwise provided in this Agreement.

9.2 Closing Sequence

On the Closing Date, subject to the terms of the Approval and Vesting Order, Closing shall take place in the sequence set out in the Closing Sequence. The Buyer may, as a result of any Pre-Closing Reorganization or otherwise with the prior consent of the Company and the Monitor, acting reasonably, amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

9.3 Closing Deliveries

(a) At the Closing, the Seller shall deliver to the Buyer:

(i) the documents required to be delivered by it pursuant to Section 5.1;

(ii) share certificates representing the CPL Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the holder of record;

(iii) a certificate of status, compliance, good standing or like certificate with respect to each Company issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction; and

(iv) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement (which would not expand the rights, remedies or Liabilities of any Party hereunder).

(b) At the Closing, the Buyer shall deliver to the Seller:

(i) the documents required to be delivered by the Buyer pursuant to Section 5.2;

(ii) the payments required to be released and paid by the Buyer pursuant to Section 2.3(b);

(iii) a certified copy of a resolution of the Buyer's board of directors authorizing the entering into of this Agreement;

(iv) a certificate of status, compliance, good standing or like certificate with respect to the Buyer issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction; and

(v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement (which would not expand the rights, remedies or Liabilities of any party hereunder).

9.4 Monitor's Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to deliver the Monitor's Certificate to the Buyer and file the Monitor's Certificate with the Court without independent investigation upon: (i) receiving written confirmation from the Seller and the Buyer that all conditions to Closing set forth in Article 5 have been satisfied or waived; and (ii) receiving the entirety of the Closing Consideration and the Administrative Expense Reserve, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of delivering and filing the Monitor's Certificate or otherwise in connection with this Agreement or the Transaction contemplated hereunder (whether based on contract, tort or any other theory).

9.5 Administrative Expense Reserve

On that date that is six (6) months following Closing or such later date as the Monitor shall determine in its sole discretion, any unused portion of the Administrative Expense Reserve after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, shall be transferred by the Monitor to the Company.

ARTICLE 10
GENERAL MATTERS

10.1 Confidentiality

(a) Except to the extent otherwise specifically provided in this Section 10.1, each Party, on behalf of itself and its Affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 10.1 by any of its Affiliates and its and their respective directors, employees, advisors, agents and representatives.

(b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to a Taxing

Authority in order to describe the Tax treatment and Tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.

(c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record-keeping policies.

(d) Any Confidential Information of the Seller that constitutes part of the Business will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

10.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that the Buyer may make a press release or other announcement concerning the Transaction after the Closing without the prior consent of the Seller and, further, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its Affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other (including sharing a draft of any such proposed disclosure), and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court and, in advance of it being publicly filed with the Court, provided to stakeholders of the Seller in the CCAA Proceedings who are subject to a confidentiality agreement; and (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting such confidential or sensitive information as may be agreed among the Parties and permitted by Applicable Laws. The Parties further agree that:

(a) the Monitor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof; and

(b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to obtain Court approval to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

10.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 5.1 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of any Seller's representations or warranties, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 8.1). None of the Seller's covenants contained in Article 7 to be performed on or prior to the Closing shall survive the Closing. The Parties' respective covenants and agreements set forth herein that by their specific terms contemplate performance after Closing, shall survive the Closing indefinitely unless otherwise set forth herein. For the avoidance of doubt, the Parties' respective covenants and agreements set forth in Sections 6.9 and 6.10 shall survive the Closing indefinitely.

10.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, agent, advisor or representative of the respective Parties hereto (the "**Non-Recourse Persons**"), in such capacity, shall have any liability for any representations, warranties, obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of the Transaction.

10.5 Assignment; Binding Effect

The Seller may not assign its right or benefits under this Agreement without the consent of the other Party hereto. Prior to Closing, the Buyer may assign, upon written notice to the Seller, all or any portion of its rights and obligations under this Agreement to an Affiliate provided that such Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the Monitor and the express third party beneficiaries of Sections 6.9, 6.10 and 10.4 hereof. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder. The Buyer shall remain jointly and severally liable with all assignees and delegates for its obligations herein up to the Closing.

10.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days after

mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

AIP Elixir Buyer Inc.
c/o Aterian Investment Partners IV, LP
550 Fifth Avenue, 8th Floor
New York, NY 10036

Attention: Christopher H. Thomas / Jay Taunk
Email: cthomas@aterianpartners.com / jtaunk@aterianpartners.com

with copies (which shall not in itself constitute notice) to:

Osler, Hoskin & Harcourt LLP
First Canadian Place
100 King St. W Suite 6200
Toronto, Ont M5X 1B8

Attention: Marc Wasserman / Tracy Sandler / Justin Sherman

E-mail: mwasserman@osler.com / tsandler@osler.com / jsherman@osler.com

and

Kirkland & Ellis LLP
300 N La Salle Dr
Chicago, IL 60654, United States

Attention: Adam M. Wexner, P.C. / Steve Toth

E-mail: adam.wexner@kirkland.com / steve.toth@kirkland.com

(b) If to the Seller at:

7600 Danbro Crescent
Mississauga, Ontario L5N 6L6

Attention: Jan Sahai
Email: jsahai@cplltd.com

with copies (which shall not in itself constitute notice) to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400

Toronto, Ontario
M5H 2S7

Attention: Chris Armstrong/Erik Axell/Jennifer Linde
Email: carmstrong@goodmans.ca/eaxell@goodmans.ca/jlinde@goodmans.ca

(c) If to the Monitor at:

220 Bay Street, 13th Floor
PO Box 20
Toronto, ON M5J 2W4

Attention: Noah Goldstein/Ross Graham
Email: ngoldstein@ksvadvisory.com/rgraham@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Cassels, Brock & Blackwell LLP
Bay Adelaide Centre
40 Temperance Street, Suite 3200
Toronto, ON M5H 0B4

Attention: Ryan C. Jacobs/Joseph Bellissimo
Email: rjacobs@cassels.com/jbellissimo@cassels.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

10.7 Third Party Beneficiaries

Except with respect to: (i) the Monitor as expressly set forth in this Agreement or ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Liability at the Closing (ii) the Non-Recourse Persons pursuant to Section 10.4; (iii) the Company Released Parties pursuant to Section 6.9; (iv) the Buyer Released Parties pursuant to Section 6.10 and (v) ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Asset at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.8 Counterparts; Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one

and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

DocuSign Envelope ID: DF23C46E-9E1B-4675-9B33-7E966293AC7C

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

AIP ELIXIR BUYER INC.

By: DocuSigned by: Jayesh Taunk

Name: Jayesh Taunk
Title: Director

CONTRACT PHARMACEUTICALS LIMITED

By: ______________________________

Name: Jan Sahai
Title: Officer

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

AIP ELIXIR BUYER INC.

By: ______________________________

Name: Jayesh Taunk
Title: Director

CONTRACT PHARMACEUTICALS LIMITED

By: Jan Sahai

Name: Jan Sahai
Title: Officer

Signed by: Jan Sahai
CEO
Date & Time: March 29, 2024 22:12:11 EDT

SCHEDULE A

ASSUMED LIABILITIES

1. GST/HST liabilities of $627,474.15 for the period ending December 15, 2023, as detailed in a letter to the Monitor dated February 6, 2024, and accrued and unpaid GST/HST liabilities, if any, for the period from December 15, 2023, through the Closing.

2. Customer rebate obligations owing to Endo Pharmaceuticals or its affiliates totalling approximately US$201,584.88.

SCHEDULE B

ENCUMBRANCES TO BE DISCHARGED

(a) All Encumbrances under the DIP Facility

(b) All Encumbrances under the RBC Facility and RBC Security Agreement

(c) All Encumbrances under the Deerfield Facility and Deerfield Security Agreement

(d) All Encumbrances under the EDC Facility and EDC Security Agreement

SCHEDULE C

EXCLUDED ASSETS

None.

SCHEDULE D

EXCLUDED CONTRACTS

(a) RBC Facility, RBC Security Agreement and RBC Intercreditor Agreement

(a) Deerfield Facility, Deerfield Security Agreement and Deerfield Intercreditor Agreement

(b) EDC Facility and EDC Security Agreement

(c) The FedDev Facility

(d) ANDA Sale and Assignment Agreement dated April 14, 2023 between Chartwell RX Sciences, LLC and Glasshouse Pharmaceuticals Limited Canada

SCHEDULE E

EXCLUDED LIABILITIES

(a) All Liabilities relating to or arising from the Retained Contracts, prior to the commencement of the CCAA Proceedings which are not Pre-Filing Stayed Unsecured Obligations or otherwise Post-Filing Trade Amounts payable under the Retained Contracts

(b) Any and all Liabilities with regard to any litigation or other legal proceedings brought or initiated, or which could be brought or initiated, against the Company relating to or arising from any act, occurrence or circumstance existing at or before the Closing Date

(c) Any and all Liabilities relating directly or indirectly, at Applicable Law, under contract or otherwise, to or arising from the Excluded Contracts or any assets or Contracts of Glasshouse Canada

(d) Pre-petition Severance Amounts (which, for greater certainty, includes amounts for Claims relating to employment benefits and post-employment benefits for any Former Employee)

(e) Claims under the FedDev Facility

SCHEDULE F

PERMITTED ENCUMBRANCES

(a) Encumbrances permitted in writing by the Buyer.

(b) Encumbrances in respect of any Retained Contracts.

(c) Any Claim or Encumbrance reserved to or vested in any Governmental Authority by the terms of any of the Permits and Licenses, including any requirement to terminate, to require annual or other periodic payments or any action, omission or other compliance obligation or requirement as a condition to the continuance, status or effectiveness thereof**.**

SCHEDULE G

RETAINED CONTRACTS

Leases

1. (i) Lease between Dundee Danbro Holdings Limited and CPL Canada dated April 7, 1999, respecting the property bearing municipal address 7600 Danbro Crescent, Mississauga, Ontario; (ii) Lease Amending Agreement between GE Canada Real Estate Equity Holding Company and CPL Canada dated March 5, 2012; (iii) letter of succession and Notice of Direction from Piret (Mississauga) Holdings Inc. to CPL Canada dated May 15, 2013; and (iv) Lease Amending Agreement between Piret and CPL Canada dated October 25, 2023.

2. Lease between Laurel Lynn investment Limited, Ben-Ted Construction Limited and CPL Canada dated October 8, 2012, respecting the property bearing municipal address 2145 Meadowpine Boulevard, Mississauga, Ontario; and (ii) Lease between GTA W21 Inc. and CPL Canada dated September 12, 2023.

Customer Contracts

3. Manufacturing and Supply Agreement between Novartis Consumer Health Canada Inc., as customer, and Contract Pharmaceuticals Limited Canada, as manufacturer and supplier, dated May 13, 2013, as amended.

4. Manufacture and Supply Agreement, between OptiNose US Inc., OptiNose UK Ltd., OptiNose AS, and on the other hand, Contract Pharmaceuticals Limited Canada, dated August 18, 2017, as renewed and amended.

5. Manufacture and Supply Agreement between Covis Pharma BmbH, as buyer, and Contracts Pharmaceuticals Limited Canada, as supplier, dated August 15, 2022.

6. Supply Agreement between Upsher-Smith Laboratories, Inc. and Contract Pharmaceuticals Limited Canada, dated May 1, 2012.

7. Manufacturing and Supply Agreement between Johnson & Johnson Healthcare Products Division of McNeil PPC, Inc., as customer and Contract Pharmaceuticals Limited Canada, as manufacturer, dated August 1, 2010.

8. Extension and Amendment to Johnson & Johnson Manufacturing and Supply Agreement, dated December 15, 2013.

9. Extension and Amendment of Johnson & Johnson Manufacturing and Supply Agreement, dated December 14, 2021.

10. Amendment to the Johnson & Johnson Manufacturing and Supply Agreement, dated January 1, 2021.

11. Development and Manufacture Agreement between Pfizer Inc, as customer and Contract Pharmaceuticals Limited Canada, dated December 16, 2021, as amended.

12. Master Scientific Services Agreement between Contract Pharmaceuticals Limited Canada, as provider and Pfizer Inc., as customer, dated April 13, 2021, as amended.

13. Commercial Supply Agreement between Incyte Biosciences International Sàrl, as customer, and Contract Pharmaceuticals Limited Canada, as supplier, dated April 28, 2023, as amended.

14. Toxicology Batches Manufacturing and In-Use Stability Testing of [redacted] Agreement between Contract Pharmaceuticals Limited Canada and Pfizer Inc., as customer, dated February 6, 2024.

15. Amended and Restated Supply Agreement between Contract Pharmaceuticals Limited Canada, and Actavis Mid Atlantic LLC, dated June 29, 2012, as amended.

16. Partial Assignment and Assumption to the Actavis Amended and Restated Supply Agreement, between Activis Mid-Atlantic LLC, as assignor and Actavis Laboratories NY, Inc., as assignee, dated June 29, 2019.

17. Supply Agreement, between Valeant Pharmaceuticals North America, Maruho Co., Ltd., and Contract Pharmaceuticals Limited, dated February 1, 2011, as amended.

18. Manufacture and Supply Agreement between Valeant sp. z.o.o. s.p.j. and Contract Pharmaceuticals Limited Canada, dated March 10, 2015.

19. Manufacture and Supply Agreement between Valeant sp. z.o.o. sp.j and Contract Pharmaceuticals Limited Canada, dated as of January 1, 2015.

20. Manufacture and Supply Agreement between Valeant sp. z.o.o. s.p.j., as buyer, and Contract Pharmaceuticals Limited Canada, dated as of September 28, 2015.

21. Master Supply Agreement between Endo Ventures Limited, and Contract Pharmaceuticals Limited Canada, as supplier, dated March 1, 2016.

SCHEDULE H

CLOSING SEQUENCE

(a) First, the Buyer shall pay the unpaid balance of the Closing Consideration (which does not include any amount of the Deposit and the interest accrued thereon) and the Administrative Expense Reserve to the Monitor, to be held in escrow by the Monitor, and the entire Closing Consideration shall be dealt with in accordance with this Closing Sequence with such payment (including the Deposit and any interest accrued thereon) constituting a loan from Buyer to CPL Canada Holdco;

(b) Second, all Existing Equity (other than the CPL Shares and for greater certainty, shares of CPL Canada and Glasshouse Canada) as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration;

(c) Third, the Company shall be deemed to transfer to ResidualCo the Excluded Assets and the Excluded Contracts for no consideration, pursuant to the Approval and Vesting Order;

(d) Fourth, ResidualCo shall be deemed to assume the Excluded Liabilities from the Company for no consideration (and, for greater certainty, the assumption of the Excluded Liabilities will not be consideration for the Excluded Assets or Excluded Contracts), pursuant to the Approval and Vesting Order;

(e) Fifth, the Company shall pay all Company-side advisors' expenses (including the Company's and Monitor's financial advisor and legal counsel fees), in each case from the Company's cash on hand, and the Monitor shall retain the Administrative Expense Reserve in a separate interest-bearing account;

(f) Sixth, from the amounts provided by the Buyer referred to in (a) and the Deposit with the interest accrued thereon, if any (which will represent the Closing Consideration):

(i) the Monitor shall be directed to pay all Claims owing under the DIP Facility,

(ii) the Monitor shall be directed to pay all Claims owing under the RBC Facility,

(iii) the Monitor shall be directed to pay all Claims owing under the EDC Facility, and

(iv) the Monitor shall be directed to pay all Claims owing under the Deerfield Facility,

and to the extent such Claims are payable by CPL Canada or Glasshouse Canada, CPL Canada Holdco shall be deemed to have made an equity contribution in such amounts to CPL Canada and Glasshouse Canada, as applicable; and

(g) Seventh, the CPL Shares shall be transferred to the Buyer, free and clear of all Encumbrances for the Share Purchase Price.

SCHEDULE I

FORM OF APPROVAL AND VESTING ORDER

(see attached)

SCHEDULE J

TERMINATED EMPLOYEE FUND TERMS

- Maximum Terminated Employee Fund amount of C$500,000 (the "**Terminated Employee Fund Amount**"), provided that Buyer may in its sole discretion contribute, or direct an Affiliate to contribute, additional amounts.

- Monitor to administer Terminated Employee Fund, with no cost to the Terminated Employee Fund or the Buyer (associated costs to be funded from the Administrative Expense Reserve).

- Terminated Employee Fund to be used exclusively for payment to Terminated Employees of a hardship benefit up to a maximum amount that is equal to each Terminated Employee's statutory termination pay, and if applicable, statutory severance pay under the *Ontario Employment Standards Act*, 2000 ("**Hardship Benefit**"), with the Hardship Benefit subject to a potential pro rata reduction as described below.

  - If total Hardship Benefits payable to Terminated Employees are less than the Terminated Employee Fund Amount, the Monitor will return the balance of the Terminated Employee Fund Amount to the Buyer as soon as reasonably practicable following the Terminate Date (as defined below).

  - If total Hardship Benefits payable to Terminated Employees exceeds the Terminated Employee Fund Amount, Hardship Benefit payments to Terminated Employees will be pro-rated based on their relative Hardship Benefit amounts.

  - In no event will a Terminated Employee receive more than their calculated Hardship Benefit from the Terminated Employee Fund.

  - All Hardship Benefits will be calculated by the Monitor in good faith based on Terminated Employee information provided by the Company and such calculations shall be final and non-appealable.

  - All Hardship Benefit payments shall be subject to all applicable withholdings, taxes and deductions as may be required by law.

- Any and all Hardship Benefit payments to Terminated Employees from the Terminated Employee Fund will be made by no later than (i) 60 days after the Closing Date; and (ii) the date that is 15 days following the Escrow Agent obtaining clearance from Employment and Social Development Canada to make all Hardship Benefit payments hereunder, and any amounts remaining in the Terminated Employee Fund after such date will be paid to Buyer or its designate within three Business Days following such date. Hardship Benefit payments shall be conditional on Terminated Employees executing a full and irrevocable release in favour of the Seller, Company, Buyer, Monitor and each of their respective affiliates, directors, officers, employees, agents and representatives in a form satisfactory to the Buyer.

- If clearance from Employment and Social Development Canada is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Buyer and the Monitor, each in its sole discretion), then the entire Terminated Employee Fund shall be repaid to the Buyer promptly and no Terminated Employee shall be entitled to any Hardship Benefit.

- Terminated Employee Funder Order and Terminated Employee Fund Escrow Agreement to provide that Buyer and Monitor shall not be a successor or related employer, or otherwise liable in any way, in respect of Terminated Employees.

SCHEDULE K

TERMINATED EMPLOYEE FUND ORDER

1389-0481-4603

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

Court File No. CV-23-00711401-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF JAN SAHAI
(sworn April 3, 2024)

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Court File No. CV-23-00711401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 12TH
	)	
JUSTICE CAVANAGH	)	DAY 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**")

APPROVAL AND REVERSE VESTING 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**"), for an order, *inter alia*, (a) approving the Share Purchase Agreement (as may be amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller ("**Seller**"), and AIP Elixir Buyer Inc., as buyer ("**Buyer**"), dated as of March 30, 2024 and attached hereto as **Schedule "A"** and the transaction contemplated therein (the "**Transaction**"), (b) vesting and transferring the Excluded Assets, Excluded Contracts and Excluded Liabilities (including in relation to CPL Canada Holdco, CPL Canada, and Glasshouse Canada (collectively, the "**Company**")) in and to 1000834899 Ontario Inc. ("**ResidualCo**"), and (c) granting certain related relief, was heard this day by videoconference.

ON READING the Motion Record of the Applicants, including the affidavit of Jan Sahai sworn April 3, 2024, the Third Report of KSV Restructuring Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), dated April ●, 2024, 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, and counsel for Export Development Canada, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of ●, sworn ●, 2024:

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 all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated December 22, 2023 (the "**ARIO**"), the SISP Approval Order dated December 22, 2023 (the "**SISP Approval Order**"), or the Agreement, as applicable, and the following capitalized terms shall have the following meanings:

(a) "**Expunged Claims**" means all Claims and Encumbrances (including, without limitation, the Excluded Liabilities) other than the Retained Obligations; and

(b) "**Retained Obligations**" means (i) the Assumed Liabilities and (ii) the Permitted Encumbrances.

APPROVAL OF THE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Agreement and the Transaction are hereby approved, and the execution of the Agreement by the Seller is hereby authorized and approved, with such minor amendments to the Agreement as the parties to the Agreement may deem necessary or desirable, with the approval of the Monitor.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with and complete the Transaction and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that the Seller, the other Applicants and the Monitor are hereby authorized to perform their obligations under the Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction.

PRE-CLOSING REORGANIZATION

6. **THIS COURT ORDERS** that the Pre-Closing Reorganization is hereby approved and the Applicants are hereby authorized to (a) implement and complete the Pre-Closing Reorganization in the manner and sequence specified in the Agreement, with such amendments thereto as the parties to the Agreement may deem necessary or desirable with the consent of the Monitor, and (b) perform such acts and execute such documents as contemplated under the Pre-Closing Reorganization or as may be necessary or desirable for the completion of the Pre-Closing Reorganization.

7. **THIS COURT ORDERS** that the Applicants are permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other related documents or instruments as may be necessary or desirable to effectuate the Pre-Closing Reorganization and that such articles, documents or instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under applicable law to obtain director, shareholder, partner, member or other approval under applicable law.

VESTING OF EXCLUDED ASSETS, EXCLUDED CONTRACTS, EXCLUDED LIABILITIES AND CPL SHARES

8. **THIS COURT ORDERS** that upon the delivery by the Monitor of the Monitor's certificate substantially in the form attached as **Schedule "B"** hereto (the "**Monitor's Certificate**") to the Applicants and the Buyer, the Closing Sequence shall occur and shall be deemed to have occurred in the sequence set out in the Agreement at the time of delivery of the Monitor's Certificate (the "**Effective Time**"), and the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

(a) all right, title and interest of the Company in and to the Excluded Assets shall, for no consideration, be transferred to and vest absolutely and exclusively without recourse in ResidualCo;

(b) all Excluded Contracts shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo;

(c) all Excluded Liabilities shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo (and, for greater certainty, the assumption of the Excluded Liabilities will not be consideration for any Excluded Assets or Excluded Contracts);

(d) all Expunged Claims shall be irrevocably and forever expunged, released and discharged as against the Company and the Retained Assets; and

(e) all right, title and interest of the Seller in and to the CPL Shares shall vest absolutely and exclusively in the Buyer, free and clear of all Claims and Encumbrances, other than Permitted Encumbrances.

9. **THIS COURT ORDERS** that, as of the Effective Time:

(a) the Company shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Expunged Claims;

(b) the nature and priority of the Excluded Liabilities, including their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and assumption by ResidualCo;

(c) any Person that prior to the Effective Time had an Expunged Claim against or in respect of the Company or any Retained Assets shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Company or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, as against ResidualCo from and after the Effective Time in its place and stead, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo; and

(d) except for the CPL Shares and the common shares of CPL Canada and Glasshouse Canada owned by CPL Canada Holdco, any agreement, contract, plan, indenture, deed, subscription right, conversion right, pre-emptive right or other document or instrument governing or having been created or granted in connection with any

common shares, options, warrants, share units, or other equity interests of the Company shall be deemed terminated and cancelled for no consideration.

10. **THIS COURT ORDERS** that (a) nothing in this Order or the Agreement shall waive, compromise or discharge any obligations of the Company or the Buyer in respect of any Retained Obligations; (b) the designation of any Retained Obligation as such is without prejudice to the right of the Buyer or the Company to dispute the existence, validity or quantum of such Retained Obligation; and (c) nothing in this Order or the Agreement shall affect or waive the legal or equitable rights or defences of the Buyer or the Company with respect to such Retained Obligation, including, but not limited to, all rights with respect to entitlements to any set-offs or recoupment rights with respect to such Retained Obligation.

11. **THIS COURT ORDERS** that in the event that either the Company, the Seller or the Monitor becomes aware that record or beneficial ownership or possession of any asset that is not an Excluded Asset has been transferred to ResidualCo at the Closing, then it shall promptly notify the other Party (or Parties, as applicable), and the Parties and ResidualCo shall thereafter reasonably cooperate to, as promptly as practicable, sell, convey, transfer, assign and deliver (or cause to be sold, conveyed, transferred, assigned and delivered) the relevant asset to the Company.

12. **THIS COURT ORDERS** the Monitor to serve on the service list in these CCAA proceedings (the "**CCAA Proceedings**"), post on the Monitor's website, and file with this Court a copy of the Monitor's Certificate as soon as possible after the delivery thereof to the Applicants and the Buyer in connection with the Transaction.

13. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer regarding the satisfaction or waiver of the conditions to closing under the Agreement and shall have no liability with respect to the delivery of the Monitor's Certificate.

INJUNCTIONS

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, commencing or enforcing any rights, entitlements, remedies, Claims or Encumbrances, including the Encumbrances to Be Discharged (but for certainty, excluding the Permitted Encumbrances), against or in respect of the CPL Shares, the Company, the Retained Assets or the Buyer in any way relating to, arising from or in respect of any of the following (collectively, the "**Specified Matters**"):

(a) the Excluded Assets;

(b) the Excluded Contracts;

(c) the Excluded Liabilities;

(d) the Expunged Claims;

(e) any circumstance that existed or event that occurred prior to the Effective Time that would have entitled such Person to enforce such right, entitlement, remedy, Claim or Encumbrance (except to the extent relating to a Retained Obligation);

(f) the insolvency of the Applicants prior to the Effective Time;

(g) the commencement or existence of these CCAA Proceedings or any other insolvency proceeding in respect of the Applicants, including any proceeding under Chapter 15 of the United States Bankruptcy Code (the "**US Bankruptcy Code**");

(h) the completion of the Transaction and any actions taken by the Applicants pursuant to the Agreement, the Pre-Closing Reorganization, this Order, the ARIO, the SISP Approval Order or any other Order of the Court in these CCAA Proceedings; or

(i) any change of control, whether direct or indirect, of the Company arising from the implementation of the Transaction.

RETAINED CONTRACTS

15. **THIS COURT ORDERS** that the Retained Contracts shall remain in full force and effect, and the Company shall remain entitled to all of its rights, benefits and entitlements under such Retained Contracts. From and after the Effective Time, no Person who is a counterparty to or has any rights under any Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations, enforce or exercise any right, entitlement or remedy (including any right of set-off), or make any demand with respect to such Retained Contract by virtue of or relating to any Specified Matter, and no automatic termination arising under such Retained Contract arising from or relating to any Specified Matter will have any validity or effect.

16. **THIS COURT ORDERS** that as of the Effective Time, all counterparties to a Retained Contract shall be deemed to have permanently waived any default or non-compliance by the Company under the terms of any Retained Contract arising from or relating to any Specified Matter.

17. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Agreement shall be paid by the Company to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Buyer and the relevant counterparty to a Retained Contract.

CANCELLATION OF SECURITY REGISTRATIONS

18. **THIS COURT ORDERS** that, from and after the Effective Time, the Seller, the Buyer and the Company and their respective counsel and agents are authorized to take all steps and execute such documents and instruments as may be necessary or desirable to effect the discharge of any Encumbrances (including, without limitation, those Encumbrances listed on Schedule "B" of the Agreement), except for any Permitted Encumbrances, as against the CPL Shares, the Company or the Retained Assets in any applicable jurisdiction.

19. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor's Certificate, the registrars under the *Personal Property Security Act* (Ontario) are hereby authorized and directed to cancel, discharge, delete and expunge all instruments and registrations made, registered or published against or in respect of the CPL Shares, the Company or the Retained Assets (including, without limitation, those instruments and registrations related to the Encumbrances listed on Schedule "B" of the Agreement), except for any Permitted Encumbrances.

20. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor's Certificate, the Registrar of Trademarks under the *Trademarks Act* (Canada), the Commissioner of Patents under the *Patent Act* (Canada), and any other applicable office responsible for the registration of trademarks, patents, copyrights and industrial designs of

the Company, are hereby authorized and directed to cancel, discharge, delete and expunge all security interests (other than the Permitted Encumbrances) recorded at the Canadian Intellectual Property Office, United States Patent and Trademark Office or any other registry responsible for registration in respect of the intellectual property applications and registrations of the Company, including without limitation those security interests listed on **Schedule "C"** hereto.

ADMINISTRATIVE CASE MATTERS

21. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

(a) ResidualCo shall be a company to which the CCAA applies;

(b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "Applicant" or the "Applicants" shall, unless the context otherwise requires, be deemed to refer to and include ResidualCo, *mutatis mutandis*; (ii) "Property", as defined in the ARIO, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and (iii) each of the Charges (as such term is defined in the ARIO) shall constitute charges on the ResidualCo Property;

(c) the Applicants comprising the Company shall cease to be Applicants in these CCAA Proceedings and shall be deemed to be released from the purview of the ARIO and all other Orders of this Court granted in the within CCAA Proceedings

and the CCAA Charges granted therein, save and except for this Order, the terms of which as they relate to the Company shall continue to apply in all respects; and

(d) the Monitor shall be discharged as Monitor of the Applicants comprising the Company and shall solely be the Monitor of the Seller, Glasshouse Pharmaceuticals LLC and ResidualCo (collectively, the "**Remaining Applicants**").

22. **THIS COURT ORDERS** that, as of the Effective Time, the title of these proceedings is hereby changed to:

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 AND ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, GLASSHOUSE PHARMACEUTICALS LLC AND 1000834899 ONTARIO INC.

VALIDITY OF THE TRANSACTION

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

(a) the pendency of these CCAA Proceedings;

(b) any application for a bankruptcy order or a receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C 195, c. B-3, as amended (the "**BIA**"), the US Bankruptcy Code, or any other applicable legislation in respect of the Remaining Applicants or any of their respective property and any order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of any of the Remaining Applicants; and

(d) the provisions of any applicable legislation,

the Agreement, the Closing Documents, the consummation of the Transaction, including without limitation the Pre-Closing Reorganization, the transfer and vesting of the Excluded Assets, the Excluded Contracts and the Excluded Liabilities in and to ResidualCo, the release and discharge of the Company and the Retained Assets from all Expunged Claims, and the vesting of the CPL Shares in the Buyer (i) shall be binding on any trustee in bankruptcy, receiver or monitor that may be appointed in respect of any of the Remaining Applicants, or their respective assets and property, (ii) shall not be void or voidable by creditors of the Remaining Applicants, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation or the US Bankruptcy Code, and (iii) shall not constitute nor be deemed to be oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

24. **THIS COURT ORDERS** that, effective as of the Effective Time: (a) the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo); (b) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors; (c) the Buyer and its current and former directors, officers, employees, legal counsel and advisors; and (d) Deerfield and its current and former directors, officers, employees, legal counsel and advisors (the Persons specified in (a), (b), (c) and (d) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and

discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, Taxes (as defined in the Agreement) or liabilities in respect of Taxes (including, in each case, interest and penalties), recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in contract, statute, common law or otherwise) arising in connection with or relating, in whole or in part, directly or indirectly to (i) the terms or implementation of the Agreement, the Transaction or this Order, (ii) these CCAA Proceedings, or (iii) any act, omission, transaction, dealing, occurrence, matter, circumstance, fact or thing existing or arising prior to the Effective Time in respect of or relating to any of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo) or their respective assets, liabilities, obligations, business, affairs, administration or management (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other Person or entity and are extinguished; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim (x) against the current or former directors of the Applicants that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (y) with respect to any act or omission that is finally determined by a court of competent jurisdiction to have constituted actual fraud or willful misconduct.

25. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims,

from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; or (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their respective property.

26. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, neither the Applicants nor any of their current or former directors and/or officers shall be released from any claim, whether in law or in equity, known or unknown, existing up to the Effective Time, solely to the extent it is necessary with respect to maintaining any claims as against the insurance policies of the Applicants that may be available to pay insured claims in respect of the Applicants or their current or former directors and officers (the "**Insurance Policies**" and such claims being the "**Potentially Insured Claims**"); provided that, from and after the Effective Time, any Person having a Potentially Insured Claim shall only be entitled to recover from proceeds under the Insurance Policies, to the extent available, and the recovery of such claimant shall be solely limited

to such proceeds, without any additional rights of enforcement or recovery as against the Applicants or the current or former directors or officers of the Applicants.

27. **THIS COURT ORDERS** that nothing contained in this Order prejudices, compromises, releases or otherwise affects any right, defence or obligation of any insurer in respect of the Insurance Policies.

28. **THIS COURT ORDERS** that, effective as of the Effective Time, the Buyer and the Company shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided that, as it relates to the Company, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Company after the Effective Time, or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Agreement), including, without limiting the generality of the foregoing, all Taxes on behalf of any other Person, and Taxes that could be assessed against the Buyer or the Company (including its affiliates and any predecessor corporations) pursuant to section 160 or 160.01 of the *Income Tax Act* (Canada), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

GENERAL

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

30. **THIS COURT DECLARES** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court,

tribunal or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and/or the Monitor as may be deemed necessary or appropriate for that purpose.

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

32. **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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SCHEDULE "A"
SHARE PURCHASE AGREEMENT

Attached.

SCHEDULE "B"
FORM OF MONITOR'S CERTIFICATE

Court File No. CV-23-0071101-00CL

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

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**")

MONITOR'S CERTIFICATE

A. Pursuant to the Amended and Restated Initial Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated December 22, 2023, the Applicants were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and KSV Restructuring Inc. was appointed as the monitor of the Applicants (in such capacity, the "**Monitor**").

B. Pursuant to the Approval and Reverse Vesting Order of the Court dated April ●, 2024 (the "**Approval and Reverse Vesting Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement (as may be amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller (the "**Seller**"), and AIP Elixir Buyer Inc., as buyer (the "**Buyer**") dated as of March 30, 2024.

C. The Approval and Reverse Vesting Order contemplates that the Transaction will be implemented and certain relief set out in the Approval and Reverse Vesting Order will become effective upon delivery of this Monitor's Certificate by the Monitor to the Applicants and the Buyer.

D. Capitalized terms used but not defined herein have the meanings ascribed to them in the Approval and Reverse Vesting Order or the Agreement.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Seller, in form and substance satisfactory to the Monitor, that it has received the Share Purchase Price.

2. The Buyer has paid to the Monitor the Closing Consideration, the Administrative Expense Reserve and the Terminated Employee Fund amount in accordance with the Agreement.

3. The Monitor has received written confirmation from the Buyer and the Seller, in form and substance satisfactory to the Monitor, that all conditions to Closing set forth in the Agreement have been satisfied or waived, as applicable, by the Buyer and the Seller.

This Monitor's Certificate was delivered by the Monitor at Toronto on ___________, 2024.

KSV RESTRUCTURING INC., in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity

Per: ___________________________________

Name:

Title:

SCHEDULE "C"
IP ENCUMBRANCES TO BE DELETED

TRADEMARKS

Canada

No.	Trademark	Status	Security Interest	Owner Name
1	CPL & DESIGN	Registered **App** 1394933 **App** 09-MAY-2008 **Reg** TMA749645 **Reg** 07-OCT-2009	Security Agreement Placed on File: 15 mars/Mar 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	Contract Pharmaceuticals Limited
2	CPL & DESIGN	Registered **App** 1136277 **App** 03-APR-2002 **Reg** TMA600800 **Reg** 28-JAN-2004	Security Agreement Placed on File: 16 nov/Nov 2005: The Toronto-Dominion Bank and The Toronto-Dominion Bank, New York Branch Security Agreement Placed on File: 01 avr/Apr 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	CONTRACT PHARMACEUTICALS LIMITED a Delaware Corporation
3	PLASTIBASE	Registered **App** 228551 **App** 20-JAN-1955 **Reg** TMA102356 **Reg** 13-JAN-1956	Security Agreement Placed on File: 01 avr/Apr 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	GLASSHOUSE PHARMACEUTICALS LIMITED CANADA

United States

No.	Trademark	Status	Security Interest	Owner Name
4	CPL	Registered **App** 77487390 **App** 30-MAY-2008 **Reg** 3762102 **Reg** 23-MAR-2010	Security Agreement Placed on File: 07 Dec 2018: Deerfield Private Design Fund IV, L.P., as Collateral Agent	CONTRACT PHARMACEUTICALS LIMITED (Canada)

Court File No. CV-23-00711401-00CL

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Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND REVERSE VESTING ORDER

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Court File No. CV-23-00711401-00CL

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SUPERIOR COURT OF JUSTICE
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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 of the Applicants, including the affidavit of Jan Sahai sworn April 3, 2024 (together with the Affidavit of Jan Sahai sworn December 14, 2023, the "**Sahai Affidavits**"), the Third Report of KSV Restructuring Inc. ("**KSV**"), in its capacity as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated April ●, 2024 (the "**Third Report**"), 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 as appears from the affidavit of service of ●, sworn ●, 2024.

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 may be 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 7, 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, 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 and the Third 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-23-00711401-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ANCILLARY RELIEF ORDER

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Court File No. CV-23-00711401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 12TH
	)	
JUSTICE CAVANAGH	)	DAY 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**")

TERMINATED EMPLOYEE FUND 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**"), for an order, *inter alia*, approving the Terminated Employee Fund Escrow Agreement substantially in the form attached hereto as **Schedule "A"** (as may be amended, the "**Terminated Employee Fund Escrow Agreement**") to be entered into by and between AIP Elixir Buyer Inc., as depositor ("**Depositor**") and KSV Restructuring Inc., in its capacity as Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**"), as escrow agent ("**Escrow Agent**"), in connection with the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement (as may be amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller, and AIP Elixir Buyer Inc., as buyer ("**Buyer**"), dated as of March 30, 2024, was heard this day by videoconference.

ON READING the Motion Record of the Applicants, including the affidavit of Jan Sahai

sworn April 3, 2024 and the Third Report of the Monitor dated April ●, 2024, 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., counsel for Royal Bank of Canada, and counsel for Export Development Canada, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of ●, sworn ●, 2024:

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 all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Agreement or the Terminated Employee Fund Escrow Agreement, as applicable.

TERMINATED EMPLOYEE FUND APPROVALS AND RELATED RELIEF

3. **THIS COURT ORDERS AND DECLARES** that the Terminated Employee Fund Escrow Agreement, substantially in the form attached hereto as **Schedule "A"**, is hereby approved, with such minor amendments as may be agreed to among the Applicants, the Buyer and the Monitor.

4. **THIS COURT ORDERS AND DECLARES** that the only persons who are eligible to receive a Hardship Benefit under the Terminated Employee Fund Escrow Agreement are the Terminated Employees. Forthwith following the Effective Time (as defined in the Approval and

Reverse Vesting Order of the Court made in the within proceedings of even date herewith): (a) the Monitor, in consultation with the Applicants and the Buyer, shall compile a list of the Terminated Employees, which list shall be determinative in establishing the "Terminated Employees" for the purposes of this Order and the Terminated Employee Fund Escrow Agreement, which for greater certainty shall be comprised of the Terminated Employees as defined in the Agreement; and (b) the Applicants shall provide the Monitor with all employment and payroll information for the Terminated Employees necessary for the Monitor to calculate and determine such Terminated Employees' Hardship Benefits in accordance with the terms of the Terminated Employee Fund Escrow Agreement.

5. **THIS COURT ORDERS AND DECLARES** that the application process for the Hardship Benefit under the Terminated Employee Fund Escrow Agreement substantially as described at **Schedule "B"** to this Order, and the related forms appended thereto, including the Application Form to be completed and submitted and the form of Terminated Employee Release Agreement to be executed by Terminated Employees, are hereby approved.

6. **THIS COURT ORDERS AND DECLARES** that, without limiting the generality of the foregoing paragraphs 3 through 5, in order to be entitled to the payment of a Hardship Benefit from the Terminated Employee Fund, a Terminated Employee shall be required to (a) submit a completed and signed Application Form to the Monitor and (b) execute and deliver a Terminated Employee Release Agreement to the Monitor, in each case on or before the Hardship Benefit Application Deadline, failing which such Terminated Employee shall be forever barred from

receiving any Hardship Benefit under, and shall have no further right or entitlement under or in connection with, the Terminated Employee Fund.

7. **THIS COURT ORDERS** that the Monitor shall post a notice of the Hardship Benefit Application Deadline on the Monitor's website forthwith following the determination of same.

8. **THIS COURT ORDERS** that the Monitor shall calculate the amount of each Terminated Employee's Hardship Benefit in accordance with Section 2.1 of the Terminated Employee Fund Escrow Agreement and the Monitor's calculation of the Hardship Benefit for each Terminated Employee shall be final, binding and non-appealable.

9. **THIS COURT ORDERS AND DECLARES** that any Hardship Benefit paid to a Terminated Employee pursuant to the Terminated Employee Fund Escrow Agreement shall be subject to all applicable withholdings, taxes and deductions as may be required by law, and the Terminated Employee shall be responsible for all tax liability resulting from the receipt of all or any portion of the Hardship Benefit.

10. **THIS COURT DECLARES** that any Hardship Benefit paid to a Terminated Employee from the Terminated Employee Fund is a gratuitous payment offered by a third party with no relationship whatsoever to the Terminated Employee, and meant to provide financial assistance to Terminated Employees whose employment has or will be terminated in connection with these CCAA proceedings.

11. **THIS COURT ORDERS AND DECLARES** that that the Terminated Employee Fund Amount shall not constitute property of the Applicants, ResidualCo or their respective estates.

12. **THIS COURT ORDERS AND DECLARES** that the Monitor shall, as soon as reasonably practicable after the Hardship Benefit Determination Date, (a) make any required distribution of Hardship Benefits, and (b) deliver the Residual Balance, if any, to the Depositor or any other Person designated in a written direction of the Depositor, in each case in accordance with the Terminated Employee Fund Escrow Agreement and this Order.

13. **THIS COURT ORDERS AND DECLARES** that the Residual Balance, if any, shall constitute the sole and exclusive property of the Depositor and no Terminated Employee shall have any right, title or interest therein.

14. **THIS COURT ORDERS AND DECLARES** that if clearance from Employment and Social Development Canada to make the Hardship Benefit payments is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Depositor and the Escrow Agent, each in its sole discretion), then the entire Terminated Employee Fund Amount shall be immediately repaid to the Depositor and no Terminated Employee shall be entitled to any Hardship Benefit, in each case in accordance with the Terminated Employee Fund Escrow Agreement.

MONITOR AUTHORIZATION

15. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to execute the Terminated Employee Fund Escrow Agreement on the Closing Date.

16. **THIS COURT ORDERS** that the Monitor is authorized to act as the Escrow Agent under the Terminated Employee Fund Escrow Agreement and to take all such steps as may be necessary

or incidental to carrying out such function, including as contemplated by the Terminated Employee Fund Escrow Agreement.

17. **THIS COURT ORDERS** that, without limitation to the terms of the ARIO and any other orders of this Court, the fees, costs and expenses of the Monitor (including in its capacity as Escrow Agent) and its counsel incurred in connection with carrying out the terms of this Order and the Terminated Employee Fund Escrow Agreement shall be paid from the Administrative Expense Reserve and shall be secured by the Administration Charge.

18. **THIS COURT DECLARES** that the Monitor shall incur no liability as a result of acting as Escrow Agent under the Terminated Employee Fund Escrow Agreement or carrying out the terms of this Order, including without limitation with respect to the determination of the list of Terminated Employees, the calculation of each Terminated Employee's Hardship Benefit, or the determination of each Terminated Employee's entitlement to the payment from the Terminated Employee Fund, other than any liability arising out of or in connection with any gross negligence or wilful misconduct of the Monitor.

19. **THIS COURT ORDERS AND DECLARES** that no action lies against the Monitor (including in its capacity as Escrow Agent) by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court, and that in acting as Escrow Agent, the Monitor shall have all of the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, and the Monitor and its 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.

20. **THIS COURT ORDERS AND DECLARES** that the distribution of Hardship Benefits 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, ResidualCo or the Buyer 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 distribution of Hardship Benefits 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 distribution of Hardship Benefits 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', ResidualCo's or the Buyer's 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 distribution of Hardship Benefits contemplated in this Order, and any claims of such nature are hereby forever barred.

21. **THIS COURT ORDERS** that, pursuant to subsection 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Applicants are authorized and permitted to disclose and transfer to the Monitor all human resources and payroll information in the Applicants' records pertaining to the Terminated Employees. The Monitor shall maintain and protect the privacy of such information

and shall be entitled to use the personal information provided to it as necessary for purposes of performing its role as Escrow Agent under the Terminated Employee Fund Escrow Agreement.

DECLARATION RE: NON-EMPLOYER

22. **THIS COURT DECLARES** that the Buyer and the Monitor (including in its capacity as Escrow Agent) and each of their respective assignees and affiliates shall not be deemed to be an employer or a common, related or successor employer of any Terminated Employee as a result of funding or administering the Terminated Employee Fund Amount or otherwise as a result of any other matter pertaining to this Order or the Terminated Employee Fund Escrow Agreement, including carrying out the terms of this Order or the Terminated Employee Fund Escrow Agreement.

RELEASE

23. **THIS COURT ORDERS AND DECLARES** that, effective upon the receipt of the Terminated Employee Fund Amount by the Monitor as Escrow Agent (the "**Effective Time**"), each of the Buyer, the Applicants (excluding, for the avoidance of doubt, ResidualCo) and the Monitor and each of their respective direct and indirect affiliates, associates, subsidiaries and parents, and all of their respective past and present shareholders, partners, directors, officers, employees, contractors, consultants, agents, representatives, trustees, administrators, lawyers, and insurers (all of the foregoing being collectively referred to herein as the "**Releasees**") be and are hereby released and forever discharged of and from all manner of actions, causes of action, suits, proceedings, obligations, liabilities, administrative complaints, contracts, claims and demands whatsoever in any jurisdiction which any of the Terminated Employees has, ever had or may have, against any of the Releasees by reason of any cause, matter or thing whatsoever existing up to the

Effective Time, or such later time as the Terminated Employee Fund Escrow Agreement is fully administered, whether known or unknown, foreseen or unforeseen, contingent or non-contingent, including all claims in law or equity and all claims for contribution or indemnity (collectively, "**Claims**" and each a "**Claim**"), and particularly and without limiting the generality of the foregoing, from all Claims of every nature and kind in any way related to or arising from: (a) a Terminated Employee's engagement in any capacity with any of the Applicants or the termination of such engagement, whether as an employee or independent contractor, or from any employment or other agreement between a Terminated Employee and any of the Applicants, and specifically including all damages, salary, wages, remuneration, commission, vacation pay, overtime pay, termination pay, severance pay, taxes, notice of termination, change of control, retention or similar payments, benefits, profit-sharing, life, medical, pension or retiree benefits (contractual, statutory, common law or otherwise), employee stock options, equity-based compensation (including cashless exercise thereof) or other equity incentives, bonuses, proceeds of any insurance or disability plans, or any other fringe benefit, perquisite or compensation of any kind whatsoever; (b) the Transaction, including any Claim against the Buyer or any of its affiliates that such entity is, as a result of the Transaction, an employer of a Terminated Employee or a common, related or successor employer to any of the Applicants, or that any Terminated Employee was or is entitled to be employed or engaged in any capacity by the Buyer or the Applicants following the Effective Time; (c) the conduct of the restructuring proceedings of the Applicants under the CCAA; or (d) the administration of the Terminated Employee Fund under the Terminated Employee Fund Escrow Agreement, including by the Monitor in respect of its Escrow Agent responsibilities and functions under the Terminated Employee Fund Escrow Agreement and with respect to the funding or administration thereof or any payment made pursuant thereto; provided that nothing in this

paragraph 23 shall waive, discharge, release, cancel or bar any Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA or is determined by a court of competent jurisdiction to have constituted actual fraud or wilful misconduct. Notwithstanding the foregoing, nothing in this paragraph 23 shall release or discharge: (i) any right of a Terminated Employee to continue receiving benefits from any insurer with respect to any previously filed claims by a Terminated Employee, all subject to the terms and conditions of the applicable plans, policies or programs and solely to the extent of available insurance without recourse to any of the Releasees by the insurer; and (ii) any right of a Terminated Employee to receive benefits from any governmental authority, including, without limitation, under or in respect of workers' compensation, the *Wage Earner Protection Program Act* (Canada), long-term disability insurance or employment insurance.

GENERAL

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

25. **THIS COURT DECLARES** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order and, without limitation to the foregoing, an order under Chapter 15 of the United States Bankruptcy Code. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and/or the Monitor as may be deemed necessary or appropriate for that purpose.

26. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to 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, the Monitor and their respective agents in carrying out the terms of this Order.

27. **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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SCHEDULE "A"
TERMINATED EMPLOYEE FUND ESCROW AGREEMENT

Attached.

TERMINATED EMPLOYEE FUND ESCROW AGREEMENT

THIS ESCROW AGREEMENT dated the [●] day of [●], 2024.

BETWEEN:

AIP ELIXIR BUYER INC.

(“**Depositor**”)

- and -

KSV RESTRUCTURING INC. solely in its capacity as Monitor of Contract Pharmaceuticals Limited *et al.* and not in its personal or corporate capacity

(“**Escrow Agent**”)

WHEREAS:

A. The Applicants (as defined below) have commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”).

B. KSV Restructuring Inc. (“**KSV**”) was appointed as monitor (in such capacity, the “**Monitor**”) of the Applicants by the CCAA Court.

C. Pursuant to the sale and investment solicitation process approved by the CCAA Court on December 22, 2023, Depositor and Contract Pharmaceuticals Limited entered into a share purchase agreement made as of March [●], 2024 (as may be amended, the “**Sale Agreement**”) whereby Depositor, an affiliate of Aterian Investment Partners IV, LP, has agreed to purchase all of the issued and outstanding shares in the capital of CPL Canada Holdco Limited (the “**Transaction**”).

D. In accordance with the terms of the Sale Agreement, Depositor has agreed to fund to Escrow Agent an amount equal to CAD $500,000[1] (the “**Terminated Employee Fund Amount**”), and, in accordance with this Escrow Agreement and the Terminated Employee Fund Order (as defined below), Escrow Agent will establish a fund (the “**Terminated Employee Fund**”) for the benefit of the Terminated Employees (as defined in the Sale Agreement). The Terminated Employee Fund is intended to provide financial assistance to such Terminated Employees on a gratuitous, without prejudice basis, subject to the limitations set forth and in accordance with the terms and conditions of this Escrow Agreement.

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[1] **NTD:** This amount may be updated before signing if Buyer determines, in its sole and absolute discretion, to increase the fund.

E. Pursuant to the Terminated Employee Fund Order granted on [April 12, 2024] (the "**Terminated Employee Fund Order**"), the Monitor was appointed to act as Escrow Agent for the purposes of this Escrow Agreement in accordance with the terms and conditions contained herein and the Terminated Employee Fund Order.

NOW THEREFORE in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), it is agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Where used in this Escrow Agreement, including in the Recitals, the following terms shall have the following meanings:

"**Administrative Expense Reserve**" has the meaning ascribed to such term in the Sale Agreement as of the date of this Escrow Agreement, which for greater certainty shall be in the amount of $750,000.

"**Applicants**" means Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada and Glasshouse Pharmaceuticals LLC.

"**Application Form**" has the meaning ascribed to such term in Section 2.1(b).

"**Business Day**" means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario and New York, New York are open for commercial banking business during normal banking hours.

"**CCAA**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**CCAA Court**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Claim**" means any and all actual or threatened claims, actions, suits, applications, litigation, charges, complaints, prosecutions, assessments, reassessments, investigations, inquiries, hearings and other proceedings, whether civil, criminal, administrative, regulatory, arbitral or otherwise.

"**Closing Date**" means the date on which the transactions contemplated in the Sale Agreement close, being the date hereof.

"**Depositor**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Escrow Agent**" means KSV solely in its capacity as Monitor and not in its personal or corporate capacity.

"**Escrow Agent Fees and Expenses**" has the meaning ascribed to such term in Section 5.1.

"**Escrow Agent Indemnified Parties**" has the meaning ascribed to such term in Section 5.6.

"**Escrow Agreement**" means this Escrow Agreement, as amended or supplemented from time to time pursuant to the terms hereof established for the benefit of the Terminated Employees.

"**Governmental Authority**" means any applicable transnational, federal, provincial, municipal, state, local, national or other government, regulatory authority, governmental department, agency, commission, board, tribunal, bureau, ministry, court, system operator, judicial body, arbitral body or other law, rule or regulation-making entity, or any entity, officer, inspector, investigator or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, or exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power.

"**Hardship Benefit**" has the meaning ascribed to such term in Section 2.1(c).

"**Hardship Benefit Application Deadline**" means 5:00 pm (Toronto Time) on the date that is 40 days after the Closing Date.

"**Hardship Benefit Determination Date**" means the later of (i) 60 days after the Closing Date and (ii) the date that is 15 days following the Escrow Agent obtaining clearance from Employment and Social Development Canada to make all Hardship Benefit payments hereunder.

"**KSV**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Law**" or "**Laws**" means applicable laws of any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, governmental authorizations, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Escrow Agreement.

"**Monitor**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Party**" or "**Parties**" means individually or collectively, as the case may be, Depositor and Escrow Agent.

"**Paying Agent**" has the meaning ascribed to such term in Section 2.2(b).

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity, however designated or constituted.

"**Residual Balance**" has the meaning ascribed to such term in Section 7.1.

"**Sale Agreement**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Scheduled Canadian Bank**" means a bank listed on Schedule I of the *Bank Act* (Canada).

"**Terminated Employee**" has the meaning ascribed to such term in the Sale Agreement.

"**Terminated Employee Fund**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Terminated Employee Fund Amount**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Terminated Employee Fund Order**" has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

"**Terminated Employees List**" has the meaning ascribed to such term in the Section 2.1(a).

1.2 Headings, etc.

The provision of a table of contents, the division of this Escrow Agreement into articles and sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Escrow Agreement.

1.3 Articles; Sections; etc.

Reference to articles, sections or other parts of this Escrow Agreement are to the specified article, section or part.

1.4 Gender; Singular/Plural

References to gender include all genders and, except where the context otherwise requires, the singular includes the plural and vice versa.

1.5 Certain Phrases, etc.

In this Escrow Agreement, unless otherwise expressly stated (a) the words "including" and "includes" mean "including (or includes) without limitation", (b) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding", and (c) the words "hereafter", "hereby", "herein", "hereof', "hereunder" and "herewith" refer to the entire Agreement, not just a particular article or section.

1.6 Business Day

Any action or payment required or permitted to be taken or made hereunder on a day which is not a Business Day may be taken or made on the next succeeding Business Day.

1.7 Recitals

The Recitals to this Escrow Agreement are true and correct.

ARTICLE 2
PAYMENT OF TERMINATED EMPLOYEE HARDSHIP BENEFITS

2.1 Procedure

(a) The Depositor will provide a list of Terminated Employees to the Escrow Agent (which shall be the Terminated Employees as defined in the Sale Agreement), and the Escrow Agreement will supplement such list with additional information provided by Contract Pharmaceuticals Limited Canada, including the name, direct-deposit banking information, mailing and email address (to the extent available) of the Terminated Employees, as may be necessary to discharge its duties hereunder (together, the "**Terminated Employees List**"). The Escrow Agent shall provide the final Terminated Employees List (without direct-deposit banking information or mailing and email addresses) to the Depositor. In no event shall any individuals be added or subtracted from the Terminated Employees List, other than by the Depositor in accordance with the Sale Agreement.

(b) The Terminated Employee Fund Order established an application process, which requires Terminated Employees to (i) submit a completed application form (which shall include the necessary information for the processing of payments of the Hardship Benefits) (the "**Application Form**") substantially in the form attached hereto as Exhibit "A" and (ii) execute a release and discharge of Claims substantially in the form appended hereto as Exhibit "B" (the "**Terminated Employee Release Agreement**"). As soon as reasonably practicable and in any event no longer than 10 days after the Closing Date, the Escrow Agent shall send a copy of the Application Form and the form of Terminated Employment Release Agreement to each Terminated Employee, which may be sent by email, regular mail or courier, in the Escrow Agent's sole discretion. For purposes of clarity and subject to Section 2.1(a), Escrow Agent's role in the application process as described in this Section 2.1(b) will be limited to confirming that each Terminated Employee applying for a Hardship Benefit has submitted a properly completed Application Form and executed and delivered a Terminated Employee Release Agreement. The Escrow Agent shall be entitled to rely on the information, as provided by Contract Pharmaceuticals Limited Canada, set forth on the Terminated Employees List.

(c) Each Terminated Employee who delivers a duly completed Application Form and an executed Terminated Employee Release Agreement to Escrow Agent on or before the Hardship Benefit Application Deadline shall be entitled to receive a hardship benefit up to a maximum amount that is equal to the minimum applicable statutory termination pay, and if applicable, statutory severance pay owing to such Terminated Employee under the *Ontario Employment Standards Act*, 2000 (the "**Hardship Benefit**"), subject to a potential *pro rata* reduction as described below. If total Hardship Benefits payable to all Terminated Employees is less than the Terminated Employee Fund Amount, the amount of the Hardship Benefit for each Terminated Employee will be payable in full to each such Terminated Employee. If total Hardship Benefits payable to all Terminated Employees exceeds the Terminated Employee Fund Amount, Hardship Benefit payments to Terminated

Employees will be pro-rated based on their relative Hardship Benefit amounts as a percentage of the total Terminated Employee Fund Amount and the amount of the Hardship Benefit payable to each Terminated Employee will be reduced accordingly.

(d) The Hardship Benefit payable to each Terminated Employee shall be calculated by the Escrow Agent in good faith solely based on Terminated Employee information provided by Contract Pharmaceuticals Limited Canada within two Business Days following the Closing Date (which Depositor shall have had a reasonable opportunity to review and comment on) and such calculations shall be final, binding and non-appealable. In no event will a Terminated Employee receive more than their calculated Hardship Benefit from the Terminated Employee Fund.

(e) The Hardship Benefit payable to each Terminated Employee shall be subject to all applicable withholdings, taxes and deductions, as may be required by Law. Under no circumstances may a Terminated Employee transfer his or her entitlement to a Hardship Benefit to another Person. For the avoidance of doubt, the Hardship Benefit is a gratuitous payment and shall not be paid, or deemed to be paid, in exchange for services rendered or as the result of employment or the termination thereof.

(f) Buyer and Monitor and each of their respective assignees and affiliates shall not be deemed to be an employer or a common, related, or successor employer of any Terminated Employee as a result of funding the Terminated Employee Fund Amount or otherwise liable as a result of any other matter pertaining to the Escrow Agreement.

2.2 Payment of Hardship Benefit to Terminated Employees

(a) As soon as reasonably practicable following the Hardship Benefit Determination Date, the Escrow Agent shall cause the Hardship Benefit payments calculated and determined in accordance with Section 2.1, net of all applicable withholdings, taxes and deductions as may be required by Law, to be paid to each Terminated Employee who has complied with Section 2.1(c) hereof.

(b) At the sole discretion of the Escrow Agent (but following consultation with the Depositor and Contract Pharmaceuticals Limited Canada), each Hardship Benefit payable to a Terminated Employee pursuant to this Section 2.2 may be delivered by or at the direction of Escrow Agent to an entity designated by Depositor and acceptable to the Escrow Agent (which may include a services company engaged by Depositor or an affiliate thereof) (the "**Paying Agent**"), and the Paying Agent shall be responsible for processing, or causing to be processed, all amounts received hereunder, including (i) withholding, deducting and remitting any authorized or required withholdings, taxes and deductions to Government Authorities or other third-parties from the Hardship Benefit, in each case as may be required by Law, and (ii) paying the net Hardship Benefit amount to the Terminated Employees. Where applicable, the Paying Agent shall also provide the Terminated Employees with slips or other prescribed tax documents in accordance with its customary

practices showing the amounts that were withheld or deducted pursuant to this Section and as may be required by Law. Where applicable, the determination of the applicable withholdings, taxes and deductions required by Law with respect to the Hardship Benefit, in each case, shall be made by the Paying Agent, in consultation with Escrow Agent, and both the Paying Agent and Escrow Agent shall be entitled to rely on the books and records and the custom and past practice of the Applicants to the extent applicable and, for the avoidance of doubt, shall have no responsibility or liability of any kind for any failure to correctly withhold or pay such applicable withholdings, taxes and deductions except to extent the failure is attributable to gross negligence or wilful misconduct.

ARTICLE 3
THE ESCROW ACCOUNT

3.1 Creation of Escrow Account

Depositor shall, on the Closing Date, remit to the Escrow Agent the Terminated Employee Fund Amount with Escrow Agent. Escrow Agent accepts and agrees to hold the Terminated Employee Fund Amount as provided for in, and subject to and in accordance with the terms of this Escrow Agreement and the Terminated Employee Fund Order. Escrow Agent agrees to distribute and deal with the Terminated Employee Fund Amount, and at all times agrees to keep the Terminated Employee Fund Amount segregated from the property and assets of Escrow Agent and any other account of which Escrow Agent may serve as escrow agent, trustee or custodian, and in one or more segregated accounts, on the terms and subject to the conditions hereof.

3.2 Escrowed Funds

The Terminated Employee Fund Amount shall not, prior to the Hardship Benefit Determination Date, revert to or be applied for the benefit of Depositor but shall be applied for the exclusive benefit of the Terminated Employees in accordance with the terms hereof.

3.3 Escrow Account

Pending disbursement of the Terminated Employee Fund Amount in accordance with the terms hereof, the Escrow Agent shall hold the Terminated Employee Fund Amount in an-interest bearing account, with interest accruing to the benefit of, and to be paid to, the Depositor.

ARTICLE 4
ADDITIONAL COVENANTS

4.1 No Escrow Agent Liability for Insufficient Funds

Escrow Agent shall not be liable to any Person (including any Terminated Employee or Depositor) in the event that the Terminated Employee Fund Amount is insufficient to pay in full or in part the Hardship Benefits to the Terminated Employees.

4.2 No Additional Contributions from Depositor/No Liability for Depositor

For the avoidance of doubt, notwithstanding any other provision of this Escrow Agreement to the contrary, except for the Terminated Employee Fund Amount, Depositor shall not, under any circumstance, be under any obligation to provide or contribute any money, property or value hereunder for the benefit of Escrow Agent, any Terminated Employee or any other Person in respect of any Claim or otherwise, and for greater certainty no Terminated Employee shall be entitled to assert any Claim against Depositor with respect to any such amount. Except for funding the Terminated Employee Fund Amount to Escrow Agent in accordance with the terms hereof, Depositor shall have no liability to any Person (including any Terminated Employee) under or in connection with this Escrow Agreement.

ARTICLE 5
THE ESCROW AGENT

5.1 Fees and Expenses of the Escrow Agent

All reasonable fees, expenses and disbursements incurred by the Monitor for acting as Escrow Agent hereunder (collectively, the "**Escrow Agent Fees and Expenses**"), including legal, accounting, tax or other advice which Escrow Agent, in its judgment, acting reasonably, may consider necessary for the proper discharge of its duties hereunder, shall be funded from the Administrative Expense Reserve.

5.2 Termination and Replacement

(a) The Monitor may only resign or be replaced as Escrow Agent hereunder pursuant to an order of the CCAA Court, which order of the CCAA Court shall also include the appointment of a replacement Escrow Agent.

(b) Any Person appointed as a replacement Escrow Agent by the CCAA Court pursuant to Section 5.2(a) shall, upon acceptance of such appointment, be vested with the remaining amount of the Terminated Employee Fund Amount and with all the trusts, powers, mandates, authorities, duties and obligations herein contained, without further assignment, transfer or conveyance of any kind or any order of any court or tribunal whatsoever as if such Person were an original party to this Escrow Agreement.

(c) All instruments in writing relating to the appointment of replacement Escrow Agents shall be attached to this Escrow Agreement and shall be sufficient evidence of the facts to which such instruments relate.

5.3 Accounting

Escrow Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Escrow Agent hereunder and the receipt and disbursement of the Terminated Employee Fund Amount, and shall provide to Depositor records and written statements thereof periodically upon reasonable request of Depositor or an order of the CCAA Court.

5.4 Liability of Escrow Agent

(a) The parties hereto acknowledge and agree that the Escrow Agent acts hereunder as an escrow agent only. The Escrow Agent: (i) shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, for the form or execution of such instruments, for the identity, authority or right of any person or party executing or depositing such instruments or for determining or compelling compliance therewith, and shall not otherwise be bound thereby; (ii) shall be obligated only for the performance of such duties as are expressly and specifically set forth in this Escrow Agreement on its part to be performed, and no implied duties or obligations of any kind shall be read into this Escrow Agreement against or on the part of the Escrow Agent and the Escrow Agent will have no duty or responsibility arising under any other agreement, including any agreement referred to in this Escrow Agreement, to which the Escrow Agent is not a party; (iii) shall not be required to take notice of any default or to take any action with respect to such default involving any expense or liability, unless notice in writing of such default is formally given to the Escrow Agent, and unless it is indemnified and funded, in a manner satisfactory to it, against such expense or liability; (iv) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction (including, without limitation, wire transfer instructions, whether incorporated herein or provided in a separate written instruction), instrument, statement, certificate, request or other document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper person, and shall have no responsibility for determining the accuracy thereof; and, (v) may employ and consult counsel satisfactory to it and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel.

(b) The Escrow Agent may employ such counsel, accountants, appraisers, other experts, agents, agencies and advisors as it may reasonably require for the purpose of discharging its duties under this Escrow Agreement, and the Escrow Agent may act, or not act, and shall be protected in acting, or not acting, in good faith on the opinion or advice or on information obtained from any such parties and shall not be responsible for any misconduct on the part of any of them.

(c) The Escrow Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation that complies with the terms of this Escrow Agreement.

(d) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights or powers. The Escrow Agent may recover from the Administrative Expense Reserve the costs and expenses reasonably incurred by the Escrow Agent in the course of its services hereunder, in connection with the administration of the escrow created hereby or in the performance or observance of its duties hereunder (including the reasonable fees and disbursements of its counsel and other advisors required for discharge of its duties hereunder).

(e) In performing the obligations hereof and in exercising its powers hereunder, Escrow Agent may act in its discretion and, provided Escrow Agent has acted honestly, Escrow Agent shall not be liable, answerable or accountable for any Claims resulting from the exercise of a discretion, error in judgment, or the refusal to exercise a discretion, including, for greater certainty, with respect to the issuance of any tax assessment, the withholding or remittance of any deductions at source, in good faith and in the exercise of its reasonable judgment. Escrow Agent shall only be liable, answerable and accountable for its own gross negligence or wilful misconduct.

(f) Escrow Agent is liable, answerable and accountable only for money actually received by such Escrow Agent, even though Escrow Agent has signed a receipt or other instrument for the sake of conformity. The Escrow Agent is not liable, answerable or accountable for the actions, inactions, receipts, negligence, defaults, dishonesty, fraud or wilful misconduct of any other escrow agent, or of any other Person having custody of or control over any part of the Terminated Employee Fund Amount and is not liable, answerable or accountable for any loss of money or security for money unless the same happens through the Escrow Agent's own gross negligence or wilful misconduct. Honesty and good faith shall be presumed in favour of Escrow Agent unless such presumption is rebutted.

(g) Subject to its obligations hereunder to Depositor and to the Terminated Employees with respect to the Terminated Employee Fund Amount and subject to the terms of the Terminated Employee Fund Order, the Escrow Agent shall have no liability to any other Person arising from commitments in this Escrow Agreement or contractual relationships arising out of its position as Escrow Agent. Escrow Agent is authorized to require any such commitment or contractual relationship to include a provision confirming the foregoing sentence to Escrow Agent, the Terminated Employees or any other Person with respect to the performance of the responsibilities of Escrow Agent hereunder, except for damages that may be caused by the gross negligence or wilful misconduct of Escrow Agent.

(h) Depositor acknowledges and agrees that KSV is entering into this Escrow Agreement solely in its capacity as Monitor, including with the rights and protections afforded to the Monitor under the CCAA, pursuant to the orders made by the CCAA Court or otherwise as an officer of the CCAA Court, and KSV shall have absolutely no personal or corporate liability under or as a result of this Escrow Agreement in any respect.

5.5 Acceptance of Obligations

Escrow Agent hereby accepts the covenants and obligations in this Escrow Agreement declared and provided for and agrees to perform the same upon the terms and conditions herein set forth, and to hold and exercise the rights, privileges and benefits conferred upon Escrow Agent hereby for the benefit of the Terminated Employee having an interest in the Terminated Employee Fund Amount.

5.6 Indemnification

Escrow Agent and its directors, officers, employees and agents (collectively, the "**Escrow Agent Indemnified Parties**") shall be indemnified and held harmless out of the Administrative Expense Reserve from and against all Claims against the Escrow Agent Indemnified Parties arising in any manner out of or in connection with this Escrow Agreement, including, for greater certainty, with respect to the issuance of any tax assessment, the withholding or remittance of any deductions at source and the collection or remittance of any sale taxes by Escrow Agent, except (x) to the extent that the same is attributable to the gross negligence or wilful misconduct of any Escrow Agent Indemnified Parties and (y) any income taxes payable by Escrow Agent with respect to the Escrow Agent Fees and Expenses. For certainty, the Depositor acknowledges that the Escrow Agent, in its capacity as the Monitor, shall have recourse against the amounts in the Administrative Expense Reserve to recover the amount of any Claims made against the Escrow Indemnified Parties for which they are indemnified hereunder. Subject to the foregoing, this entitlement to indemnification includes expenses incurred by Escrow Agent in enforcing its rights to indemnification hereunder. If Escrow Agent resigns, or is replaced, in accordance with the terms of this Escrow Agreement, such former Escrow Agent (and the other Escrow Agent Indemnified Parties) shall continue to be entitled to indemnification under this Section 5.6 with respect to any Claims that relate to, arise from or are based on such former Escrow Agent's service as Escrow Agent. The indemnification provided for in this Section 5.6 shall survive termination of this Escrow Agreement. For the avoidance of doubt, none of the Escrow Agent Indemnified Parties shall be entitled to indemnity from the Terminated Employee Fund Amount.

5.7 Professional Advisors

If acting in good faith, Escrow Agent may rely upon the opinion, information or advice of any counsellor or any other independent expert or advisor retained by Escrow Agent and shall not be responsible for any loss resulting from any action or inaction taken in good faith in reliance upon such opinion, information or advice.

5.8 Application to Court

The Depositor or Escrow Agent may apply to the CCAA Court at any time and from time to time for advice and direction in connection with any aspect of this Escrow Agreement and the administration of the Terminated Employee Fund Amount and, in the case of Escrow Agent, the performance of any of its duties and responsibilities hereunder, including, without limitation, the appointment of a replacement Escrow Agent in accordance with the terms of Section 5.2 of this Escrow Agreement.

5.9 Incidental Rights

In addition to all other powers conferred upon it by the other provisions hereof or by any Law, Escrow Agent shall have the following powers, authorities and discretion:

(a) to exercise all rights incidental to the custody of the Terminated Employee Fund Amount; and

(b) any other power granted to Escrow Agent pursuant to a written authorization executed by Depositor and accepted in writing by the Escrow Agent.

ARTICLE 6
BANKING

6.1 Bank Selection

The banking activities of Escrow Agent in respect of the Terminated Employee Fund Amount, or any part thereof, shall be transacted with such Scheduled Canadian Bank as Escrow Agent may designate, appoint or authorize, in writing, from time to time.

6.2 Banking Activities

Escrow Agent may:

(a) open, operate and maintain any one or more account(s) at such Scheduled Canadian Bank, as designated;

(b) execute any services or account operation agreements relating to any such account(s) as may be required; and

(c) deposit or transfer any cash, cheques, drafts, or other bills of exchange to the credit of any such account(s).

ARTICLE 7
TREATMENT OF RESIDUAL BALANCE AND FAILURE TO OBTAIN CLEARANCE FROM EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA

7.1 Treatment of Residual Balance

As soon as reasonably practicable following the Hardship Benefit Determination Date, the Escrow Agent shall deliver the amount, if any, remaining from the Terminated Employee Fund Amount after all Hardship Benefit payments are made pursuant to Article 2 hereof (such remaining amount being, the "**Residual Balance**") to Depositor or any other Person designated in a written direction of Depositor. The Residual Balance, if any, shall constitute the sole and exclusive property of Depositor and no Terminated Employee shall have any right, title or interest therein. Automatically upon either (a) the full distribution of the Terminated Employee Fund Amount to the Terminated Employee in accordance with Article 2 hereof or (b) the return of the Residual Balance to the Depositor in accordance with this Article 7, this Escrow Agreement shall terminate and the Escrow Agent shall have no further duties and obligations of any kind whatsoever.

7.2 Failure to Obtain Clearance from Employment and Social Development Canada

Notwithstanding any other provision hereof, if clearance from Employment and Social Development Canada is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Depositor and the Escrow Agent, each in its sole discretion), then the entire Terminated Employee Fund shall be immediately repaid to the Depositor and no Terminated Employee shall be entitled to any Hardship Benefit hereunder. For the avoidance of

doubt, notwithstanding any repayment as contemplated in this Section 7.2, Depositor shall not, under any circumstance, be under any obligation to provide or contribute any additional money, property or value hereunder for the benefit of for the benefit of Escrow Agent, any Terminated Employee or any other Person in respect of any Claim or otherwise, and for greater certainty no Terminated Employee shall be entitled to assert any Claim against Depositor with respect to any such amount.

ARTICLE 8
OTHER MATTERS

8.1 Governing Law

(a) This Escrow Agreement shall be governed and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.

(b) To the fullest extent permitted by applicable Law, each Party: (i) agrees that any claim, action or proceeding by such Party seeking any relief whatsoever arising out of, or in connection with, this Escrow Agreement, or the matters contemplated hereby shall be brought only before the CCAA Court; (ii) agrees to submit to the jurisdiction of the CCAA Court pursuant to the preceding clause (i) for purposes of all legal proceedings arising out of, or in connection with, this Escrow Agreement or the matters contemplated hereby; (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of such action brought in any such court or any claim that any such action brought in such court has been brought in an inconvenient forum; (iv) agrees that the mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.10 or any other manner as may be permitted by Law shall be valid and sufficient service thereof; and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

8.2 Assignment

Subject to Section 5.2, the rights and obligations under this Escrow Agreement may not be assigned by Escrow Agent without the prior consent in writing of Depositor, which will not be unreasonably withheld. This Escrow Agreement shall be binding upon and enure to the benefit of the Parties and their respective heirs, estates, administrators, executors, legal personal representatives, successors and permitted assigns.

8.3 No Waiver, etc.

(a) No waiver of any of the provisions of this Escrow Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.

(b) No failure on the part of any Party to exercise, and no delay in exercising any right under this Escrow Agreement shall operate as a waiver of such right, nor shall any

single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

8.4 Entire Agreement

This Escrow Agreement constitutes the entire agreement among the Parties with respect to the issues contemplated herein and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of such Parties. There are no conditions or other agreements, express or implied, collateral, statutory or otherwise, among the Parties in connection with the subject matter of this Escrow Agreement, except as specifically set forth herein, and the Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Escrow Agreement.

The Escrow Agreement constitutes the sole agreement that may be used for the purposes of interpreting the Parties' intent in establishing the Terminated Employee Fund.

8.5 Severability

If any provision of this Escrow Agreement shall be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Escrow Agreement and the remaining provisions shall remain in full force and effect. The Parties shall endeavour in good faith negotiations to replace the illegal, invalid or unenforceable provision with a valid provision which comes closest to the intention of Depositor underlying the illegal, invalid or unenforceable provision.

8.6 Further Assurances

Depositor and Escrow Agent shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may be reasonably necessary or desirable for the purpose of carrying out the provisions and intent of this Escrow Agreement.

8.7 Counterparts; Electronic Signatures

This Escrow Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Escrow Agreement may be made by facsimile signature or by electronic image scan which, for all purposes, shall be deemed to be an original signature.

8.8 Third Party Beneficiaries

Nothing in this Escrow Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Escrow Agreement on any persons other than Depositor, the Terminated Employees, Escrow Agent and their respective heirs, estates, administrators, executors, legal representatives, successors and permitted assigns, nor is anything in this Escrow Agreement intended to relieve or discharge the obligation or liability of any third party to Depositor, Escrow Agent or the Terminated Employees, nor shall any provision give any third party any right of subrogation or action against any Party to this Escrow Agreement, nor shall any

provision limit the rights of Depositor, Escrow Agent or the Terminated Employees to assert any claims, counterclaims or defences against any third party.

8.9 No Obligation to Pay Indemnities Prohibited by Law

Notwithstanding anything contained herein, Escrow Agent shall not pay any Hardship Benefits to Terminated Employees hereunder if the payment of such amount would be prohibited under applicable Law.

8.10 Notice

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Escrow Agreement will be in writing and will be effective and deemed given under this Escrow Agreement on the earliest of: (a) the date of personal delivery; (b) the date of transmission e-mail, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (c) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express (FedEx); or (d) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by e-mail will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) AIP Elixir Buyer Inc.
c/o Aterian Investment Partners IV, LP
550 Fifth Avenue, 8th Floor
New York, NY 10036
Attention: Christopher H. Thomas / Jay Taunk
E-mail: cthomas@aterianpartners.com / jtaunk@aterianpartners.com

With a copy that shall not constitute notice to:

Osler, Hoskin & Harcourt LLP
First Canadian Place

100 King St. W Suite 6200
Toronto, ON M5X 1B8

Attention: Marc Wasserman / Tracy Sandler / Justin Sherman
E-mail: mwasserman@osler.com / tsandler@osler.com / jsherman@osler.com

and

Kirkland & Ellis LLP
300 N La Salle Dr
Chicago, IL 60654

Attention: Adam M. Wexner, P.C. / Steve Toth
Email: adam.wexner@kirkland.com / steve.toth@kirkland.com

(b) KSV Restructuring Inc.
220 Bay Street, 13th Floor
PO Box 20
Toronto, ON M5H 0B4

Attention: Noah Goldstein / Ross Graham
Email: ngoldstein@ksvadvisory.com / rgraham@ksvadvisory.com

With a copy that shall not constitute notice to:

Cassels, Brock & Blackwell LLP
Bay Adelaide Centre
40 Temperance Street, Suite 3200
Toronto, ON M5H 0B4

Attention: Ryan C. Jacobs / Joseph Bellissimo
E-mail: rjacobs@cassels.com / jbellissimo@cassels.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

8.11 Survival

The provisions of Sections 4.1, 4.2, 5.4, 5.6, Article 7 and Article 8 shall survive the termination of this Escrow Agreement and shall continue for the benefit of the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Escrow Agreement has been executed as of the date first written above.

AIP ELIXIR BUYER INC.

Per: ______________________________________
Name:
Title:

KSV RESTRUCTURING INC., solely in its capacity as CCAA Court appointed Monitor of Contract Pharmaceuticals Limited *et al*. and not in its personal or corporate capacity

Per: ______________________________________
Name:
Title:

EXHIBIT A

APPLICATION FORM

[ATTACHED]

1378-7825-1275

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC (collectively, "CPL")

HARDSHIP BENEFIT APPLICATION FORM OF [FULL NAME OF THE INDIVIDUAL]

ESTIMATED HARDSHIP BENEFIT: CA$●

www.ksvadvisory.com/experience/case/cpl

A court has authorized this notice. This is not a solicitation from a lawyer.

You have been identified as a potential recipient of a hardship benefit payable from an escrow fund established in the *Companies' Creditors Arrangement Act* proceedings of CPL. You are required to fill out, sign and deliver this Application Form and a release in order to be eligible to receive the hardship benefit under the fund. Please read this notice and the referenced documents carefully. It may affect your rights.

This is a time sensitive notice. The deadline to deliver the signed Application Form and release in order to receive a hardship benefit is 5:00 pm (Toronto time) on [date], 2024.

On December 15, 2023, Contract Pharmaceuticals Limited and its affiliates commenced proceedings (the **"CCAA Proceedings"**) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") before the Ontario Superior Court of Justice (Commercial List) ("**CCAA Court**") and KSV Restructuring Inc. was appointed as monitor (the "**Monitor**").

Pursuant to the sale and investment solicitation process approved by the CCAA Court on December 22, 2023, the Seller and AIP Elixir Buyer Inc. (the "**Buyer**") entered in an Share Purchase Agreement made as of March ●, 2024 (as may be amended, the "**Agreement**") whereby the Buyer, an affiliate of Aterian Investment Partners IV, LP, has agreed to purchase all of the issued and outstanding shares in the capital of CPL Canada Holdco Limited.

In accordance with the terms of the Agreement, the Buyer has agreed to fund to the Monitor an amount equal to $500,000 (the "**Terminated Employee Fund Amount**") and the Monitor will establish a fund (the "**Terminated Employee Fund**") pursuant to the Terminated Employee Escrow Fund Agreement between the Buyer and the Monitor dated ●, 2024 (the "**Terminated Employee Fund Escrow Agreement**") and approved by the CCAA Court in the CCAA Proceedings pursuant to the Terminated Employee Fund Order dated ●, 2024.

The Terminated Employee Fund is meant to provide financial assistance on a gratuitous, without prejudice basis, to those individuals facing hardship as a result of the termination of their employment in the circumstances of the CCAA Proceedings.

1. Why did I get this notice?

You have been identified as eligible to receive the payment of a hardship benefit under the Terminated Employee Fund Escrow Agreement.

2. How much can I expect to receive and when?

The hardship benefit payable to each eligible terminated employee will be up to a maximum amount equal to the minimum applicable statutory termination pay, and if applicable, statutory severance pay owing to such eligible terminated employee, subject to a potential *pro rata* reduction if the total hardship benefits payable to all eligible terminated employees exceeds the Terminated Employee Fund Amount.

Your estimated gross hardship benefit is set forth at the top of this notice under your name. The hardship benefit, as may be reduced *pro rata* as described above, will be paid by way of a one-time payment in Canadian dollars, subject to all applicable withholdings, taxes and deductions as may be required by law. The Monitor's calculation of the amount payable to you from the Terminated Employee Fund is final, binding and non-appealable.

Subject to the other conditions outlined in this Application Form, it is currently anticipated that the payments will be made on or about **[specify estimated timing]**.

All eligible terminated employees who receive a hardship benefit will receive a tax slip, if it is required by law.

3. What do I need to do to receive a hardship benefit?

In consideration for the hardship benefit that you will receive under the Terminated Employee Fund Escrow Agreement, you must:

- complete and sign this Application Form in the "Payment Information" Section below; and
- sign and return the attached Terminated Employee Release Agreement (the "**Release**").

4. The Release

In order to receive the hardship benefit, you must sign and return the attached Release in favour of, among others, the Buyer, CPL and the Monitor. **You should carefully review the Release as it impacts your legal rights.** You may wish to consult a lawyer with respect to the Release.

5. Can I receive a benefit without signing the Release?

No. To receive a hardship benefit, you must return to the Monitor **both** the signed and completed Application Form and the signed Release.

6. When and where do I need to return this Application Form and the signed Release?

The completed and signed Application Form and Release must be returned to the Monitor by no later than 5:00 pm (Toronto time) on [●], 2024 as follows: (i) by completing the online form accessible via the link provided in the email you have received from the Monitor; or (ii) by email to **[info@ksvadvisory.com]**, or (iii) by mail at the following address:

KSV RESTRUCTURING INC.
in its capacity as the Monitor
of Contract Pharmaceuticals Limited et al.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4
Attention: Noah Goldstein and Ross Graham

Please note that no hardship benefit will be owed or paid to you under the Terminated Employee Fund if you fail to comply with this timeline.

7. Can I transfer my hardship benefit to someone else?

No. Under no circumstances may you transfer your entitlement to a hardship benefit to another person.

8. How do I get more information?

If you have any questions about this Application Form, you should contact the Monitor identified below. There is no cost to do so.

KSV RESTRUCTURING INC.
in its capacity as the Monitor
of Contract Pharmaceuticals Limited et al.
Email: [info@ksvadvisory.com]
Telephone: 416.932.6262

Payment Information to be provided on next page.

PAYMENT INFORMATION

The CCAA Court has authorized CPL to provide to the Monitor its payroll information for the administration of the payment of the hardship benefit to be made under the Terminated Employee Fund Escrow Agreement. The Monitor undertakes to maintain and protect the privacy of such information.

Please provide the following information and sign where indicated below:

a) Method of payment (choose one):

☐ Electronic fund transfer to my bank account on record with CPL (which was used to process my last pay)

☐ Electronic fund transfer to a different bank account:

Name of account holder:	
Bank's name:	
Bank's address:	
Institution number:	
Branch/Transit number:	
Account number:	
IBAN or Swift number (if applicable)	

ACKNOWLEDGEMENT

In signing this Application Form, I acknowledge that the information provided with this Application Form is provided solely for my general knowledge. I recognize that it is not intended to be a comprehensive review of the Terminated Employee Fund Escrow Agreement and the Release. The information is not a substitute for independent legal advice before making any decisions. I acknowledge having had a sufficient opportunity to read the Terminated Employee Fund Escrow Agreement and the Release completely and to obtain independent legal advice in respect thereof.

SIGNED this _____ day of _________________________, 2024.

_________________________ _________________________

Print Name (First, Last name) **Signature**

EXHIBIT B

TERMINATED EMPLOYEE RELEASE AGREEMENT

[ATTACHED]

TERMINATED EMPLOYEE RELEASE AGREEMENT
("RELEASE")

FROM: ______________________________________
(*insert full legal name of Terminated Employee*)

TO: (I) AIP ELIXIR BUYER INC. ("**Buyer**"),

(II) CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA AND GLASSHOUSE PHARMACEUTICALS LLC (collectively, "**CPL**"),

(III) KSV RESTRUCTURING INC., including in its capacities as Court-appointed Monitor of Contract Pharmaceuticals Limited *et al*. and as Escrow Agent under the Terminated Employee Fund Escrow Agreement (hereinafter collectively referred to as the "**Monitor**"), and

each of their present and former respective direct and indirect affiliates, associates, subsidiaries, parents, past and present shareholders, members, partners, directors, officers, managers, employees, contractors, consultants, agents, representatives, trustees, administrators, lawyers, insurers, predecessors, beneficiaries, heirs, executors, affiliated funds and funds under management (all of the foregoing are collectively referred to herein as the "**Releasees**"), each of which is intended as a beneficiary of this Terminated Employee Release Agreement (the "**Release**").

Reference is made to that certain Terminated Employee Fund Escrow Agreement dated [●], 2024 (the "**Terminated Employee Fund Escrow Agreement**") by and between AIP Elixir Buyer Inc., as depositor, and the Monitor, as escrow agent, entered into in connection with the transactions (the "**Transactions**") contemplated by the Share Purchase Agreement dated March [●], 2024 (as may be amended in accordance with its terms), between Contract Pharmaceuticals Limited, as seller, and AIP Elixir Buyer Inc., as buyer.

1. I confirm having received a copy of the Terminated Employee Fund Escrow Agreement (a copy of which is available on the Monitor's website at: www.ksvadvisory.com/experience/case/cpl).

2. I confirm that I have completed an application form (the "**Application Form**") provided to me pursuant to the Terminated Employee Fund Escrow Agreement for the payment of the Hardship Benefit (as defined in the Terminated Employee Fund Escrow Agreement) and I represent that all of the information in the Application Form is true and correct. I understand that in order to be eligible to receive the Hardship Benefit, I must sign and deliver this Release, together with the completed Application Form, to the Monitor on or before 11:59 pm (Toronto time) on **[●]**, 2024.

3. In exchange for the payment of the Hardship Benefit to me on the terms and subject to the conditions set out in the Terminated Employee Fund Escrow Agreement, I hereby fully and finally release, acquit and forever discharge, on behalf of myself and my assigns, beneficiaries, creditors, representatives, agents and affiliates (collectively, the "**Releasing Parties**" and each, a "**Releasing Party**"), the Releasees of and from any and all manner of actions, causes of action, suits, proceedings, obligations, liabilities, administrative complaints, contracts, claims, counterclaims, demands, debts, damages, costs, expenses and compensation of every kind and nature whatsoever, past present, or future, in any jurisdiction, which any Releasing Party now has, has ever had or may

ever have at any time, against any of the Releasees by reason of any cause, matter or thing whatsoever existing up to the present time, whether known or unknown, foreseen or unforeseen, contingent or non-contingent, including all claims in law or equity and all claims for contribution or indemnity (collectively, "**Claims**" and each a "**Claim**"), and particularly and without limiting the generality of the foregoing, from all Claims of every nature and kind in any way related to or arising from (i) my engagement in any capacity with CPL, whether as an employee or independent contractor, or from any employment or other agreement between me and CPL, and specifically including all damages, salary, wages, remuneration, commission, vacation pay, overtime pay, termination pay, severance pay, taxes, notice of termination, change of control, retention or similar payments, benefits, profit-sharing, life, medical, pension or retiree benefits (contractual, statutory or otherwise), employee stock options, equity-based compensation (including cashless exercise thereof) or other equity incentives, bonuses, proceeds of any insurance or disability plans, or any other fringe benefit, perquisite or compensation of any kind whatsoever, (ii) the Transactions, including any Claim against Buyer or any of its affiliates or any of their respective assets that such entity is my employer or a common, related or successor employer to CPL or any of its affiliates, or that I was or am entitled to be employed or engaged in any capacity by Buyer or any of its affiliates, (iii) the conduct of the restructuring proceedings of CPL under the *Companies' Creditors Arrangement Act* (Canada) and Chapter 15 of the *United States Bankruptcy Code*, or (iv) the administration of the escrow fund under the Terminated Employee Fund Escrow Agreement, including by the Monitor in respect of its responsibilities and functions as escrow agent under the Terminated Employee Fund Escrow Agreement.

4. Notwithstanding the foregoing Section 3, nothing in this Release shall release or discharge:

   (a) any right I may have to continue receiving benefits from any insurer with respect to any previously filed claims I have filed against my then current employer, all subject to the terms and conditions of the applicable plans, policies or programs, and solely to the extent of available insurance without recourse to any of the Releasees by the insurer; and

   (b) any right I may have to continue receiving benefits from any governmental authority, including, without limitation, under or in respect of workers' compensation, the *Wage Earner Protection Program Act* (S.C. 2005 c.47, s.1) ("**WEPPA**"), long-term disability insurance or employment insurance.

5. I confirm that I have not filed any complaint or initiated any legal proceeding against any of the Releasees, and I covenant and agree not to file any complaint or initiate any legal proceeding against any Releasee under any of the *Employment Standards Act, 2000* (Ontario), the *Human Rights Code* (Ontario), the *Workplace Safety and Insurance Act* (Ontario), the *Occupational Health & Safety Act* (Ontario), the *Labour Relations Act* (Ontario), the *Pay Equity Act*, the *Access for Ontarians with Disabilities Act, 2005* (Ontario), the *Personal Information Protection and Electronic Documents Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code* or pursuant to any other applicable law or legislation in any relevant jurisdiction, or in respect of any contractual or other right of action, in respect of any matter that is related to any Claims released hereunder. To the extent that I have filed any such complaint or initiated any such proceeding, I agree that I will promptly withdraw them. For greater certainty, I confirm that I am aware of my rights under the *Human Rights Code* (Ontario), and I hereby confirm that I am not asserting such rights, alleging that any such rights have been breached, or advancing a human rights claim or complaint. In the event that I hereafter make any Claim or demand or commence or threaten to commence any Claim against any of the Releasees with respect to the Claims released hereunder, this Release may be raised as a complete bar to any such Claim.

6. I understand that the Hardship Benefit to be paid is not paid in exchange for services rendered, nor is it the result of employment or the termination thereof. I confirm that I am not, and do not claim to be, an employee of Buyer or any of its affiliates and that I have no right to employment, reinstatement, re-call or reemployment with any of the Releasees, and I waive and release all rights I had or may have had in this regard. For greater certainty, I hereby renounce any right to be reinstated in my employment or other engagement with CPL, any of its affiliates or any successor thereto.

7. I further agree not to make or cause to be initiated any Claim (expressly including any cross-claim, counterclaim, third party action or application) against any other person or corporation who might claim contribution or indemnity against any of the Releasees in respect of any matter that is related to any Claim released hereunder.

8. This Release shall be binding upon me and my heirs, executors, administrators, successors and assigns, and shall inure to the benefit of the Releasees and to the benefit of all of the Releasees' heirs, executors, administrators, successors and assigns.

9. I acknowledge having had a sufficient opportunity to review the Application Form, this Release and the Terminated Employee Fund Escrow Agreement (copies of which are available on the Monitor's website at: www.ksvadvisory.com/experience/case/cpl) and to obtain independent legal advice in respect thereof, and that the only consideration for this Release is the Hardship Benefit referred to in Section 3. I further confirm that no other promises or representations of any kind have been made to me to cause me to sign this Release.

10. I acknowledge that this Release and the payment of the Hardship Benefit to me shall not constitute an admission of liability on the part of any of the Releasees. Each of the Releasees shall be entitled to enforce this Release in accordance with its terms.

11. I agree that I alone shall be responsible for all tax liability resulting from my receipt of all or any portion of the Hardship Benefit and acknowledge that the Monitor and/or any paying agent for the Hardship Benefit may withhold or deduct funds for remittance to statutory authorities sufficient to satisfy any income tax withholding, payroll and wage withholding and social security or similar contributions, each, in accordance with applicable law and as determined by the Monitor or the paying agent in their sole discretion. I agree to indemnify and save the Releasees harmless from any and all amounts payable or incurred by any of the Releasees if it is subsequently determined that any greater amount should have been withheld or deducted in respect of income tax (federal and provincial), employment insurance, Canada Pension Plan, or any other statutory withholding or contribution required in any jurisdiction whatsoever. For greater certainty, nothing contained in this Release should be deemed to be a representation from the Releasees of the impact of the payment of the Hardship Benefit on any other benefit to which I may be entitled to, including, without limitation, any benefit payable under the WEPPA.

12. I acknowledge that I have considered the availability of the advice of counsel and the possibility that any Releasing Party may not fully know the number or magnitude of the Claims that such Releasing Party has or may have against any Releasee, but nevertheless intend to assume the risk that such Releasing Party is releasing such Claims and agrees that this Release is a full and final release of any and all claims.

13. I further agree not to (and not to cause or encourage any other Releasing Party to) institute, join in, encourage, instigate or participate in any litigation, lawsuit, claim or action against any Releasee, with respect to any or all Claims released pursuant to this Release.

14. I acknowledge that the Hardship Benefit available to me provides good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.

15. If any provision of this Release or its application in a circumstance is held to be restricted, prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such restriction, prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Release and without affecting its application to other circumstances.

16. I acknowledge and agree that this Release may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed, scanned, photographed or otherwise recorded versions of an original signature, or any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this Release by facsimile, email or other electronic transmission constitutes valid and effective delivery.

17. This Release shall be governed by the laws of the province of Ontario and the federal laws of Canada applicable therein. To the full extent permitted by law, I hereby submit to the exclusive jurisdiction of the Ontario Superior Court of Justice (Commercial List) with respect to any matter arising under or in connection with this Release or the Terminated Employee Fund Escrow Agreement.

18. This Release constitutes the entire agreement among the parties hereto with respect to the subject matter of this Release and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. SIGNED this _____ day of _________________________, 2024.

______________________________	______________________________
Print Name of Terminated Employee	Signature of Terminated Employee

EXHIBIT C

FORM OF TERMINATED EMPLOYEE FUND ORDER

[ATTACHED]

SCHEDULE “B”
APPLICATION PROCESS UNDER THE TERMINATED EMPLOYEE FUND ESCROW AGREEMENT

Attached.

Court File No. CV-23-00711401-00CL

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

TERMINATED EMPLOYEE FUND ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

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Lawyers for the Applicants

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

Court File No. CV-23-00711401-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD
(Returnable April 12, 2024)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
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