

- FORM 87 -
Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

IN THE MATTER OF THE RECEIVERSHIP OF
THE CULTURED NUT INC.

The Receiver gives notice and declares that:

1. On the 16th day of January 2023, BDO Canada Limited became the Receiver and Manager (the “**Receiver**”) in respect of the assets, undertakings and properties (the “**Assets**”) of The Cultured Nut Inc. (the “**Company**”).
2. BDO Canada Limited became a Receiver by virtue of being appointed by the Supreme Court of British Columbia pursuant to an Order of the Honourable Justice Walker dated the 16th of January 2023 in Action No. S2030255. A copy of the Court Order is attached.
3. The Receiver has taken possession of the assets on January 16, 2023.

4. The following information relates to the receivership:

(a) Address: 2748 Rupert Street Vancouver, British Columbia V5M 3T7

(b) Principal line of business: Food Production

(c) Location(s) of business: Vancouver, BC

(d) Amount owed to each creditor who holds a security on the Assets described above:

BODKIN, A DIVISION OF BENNINGTON FINANCIAL CORP.	\$1.00
WAYGAR CAPITAL INC.	\$8,113,004.00

5. The list of other creditors and the amount owed to each creditor and the total amount due is attached as **Appendix A**.
6. The Receiver will be conducting a sales process to dispose of the Assets.

7. Contact person for Receiver:

BDO Canada Limited
Unit 1100, 1055 W Georgia St
Vancouver, BC V6E 3P3

Attention : Troy Chesley
E: tchesley@bdo.ca
Tel: (604) 646-6215
Fax: (604) 688-5132

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of January 2023.

BDO CANADA LIMITED
In its Capacity as Court Appointed Receiver of
The Cultured Nut Inc.
And Not in its Personal Capacity
Per:



Chris Bowra
Licensed Insolvency Trustee
Vice President

The Cultured Nut Inc., in Receivership
Appendix A

Secured Creditors:

<u>Creditor</u>	<u>Address</u>	<u>City</u>	<u>Province</u>	<u>Postal Code</u>	<u>Estimated Balance Owning</u>
1 Bodkin, A Division of Bennington Financial Corp.	102-1465 North Service Rd E	Oakville	ON	L6H 1A7	1.00
2 Waygar Capital Inc.	1700 - 25 King Street West	Toronto	ON	M5L 2A1	8,113,004.00
Total Secured Creditors					\$ 8,113,005.00

Unsecured Creditors:

<u>Creditor</u>	<u>Address</u>	<u>City</u>	<u>Province</u>	<u>Postal Code</u>	<u>Estimated Balance Owning</u>
1 Bureau Veritas Laboratories	C/O 920560 PO Box 4090 STN A	Toronto	ON	M5W 0E9	2,133.34
2 GFL Environmental	1045 Dunford Ave	Victoria	BC	V9B 2S4	212.89
Total Unsecured Creditors					\$ 2,346.23
Total Creditors					\$ 8,115,351.23



No. S 2030255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.**

PETITIONER

AND

**THE VERY GOOD FOOD COMPANY INC., 1218158 B.C. LTD., 1218169
B.C. LTD., THE CULTURED NUT INC., THE VERY GOOD BUTCHERS INC.,
LLOYD-JAMES MARKETING GROUP INC., and VGFC HOLDINGS LLC**

RESPONDENTS

RECEIVERSHIP ORDER

BEFORE THE HONOURABLE)
)
MR. JUSTICE WALKER) MONDAY, THE 16th DAY
) OF JANUARY, 2023

ON THE APPLICATION OF the Petitioner, Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (“**Waygar**”), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.B.C., 1985, c. B-3, as amended (the “**BIA**”), section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the “**LEA**”), section 66 of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended (the “**PPSA**”) and Rule 10-2(1) of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009, as amended (the “**Rules of Court**”), appointing BDO Canada Limited (“**BDO**”) as Receiver and Manager (in such capacity, the “**Receiver**”) without security, of all the assets, undertaking and property of The Very Good Food Company Inc. (“**VGFC**”), 1218158 B.C. Ltd. (“**158 BC Ltd.**”), 1218169 B.C. Ltd. (“**169 BC Ltd.**”), The Cultured Nut Inc. (“**Cultured**”), The Very Good Butchers Inc. (“**Butchers**”), Lloyd-James Marketing Group Inc. (“**Marketing**”), and VGFC Holdings LLC (“**Holdings**”, and together with 158 BC Ltd., 169 BC Ltd., Cultured, Butchers, and Marketing, the “**Corporate Guarantors**”, and together with VGFC, the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the Affidavit #1 of James Bruce sworn January 13, 2023, and the consent of BDO to act as the Receiver and Manager; **AND ON HEARING** William E.J. Skelly, counsel for the Petitioner,

Waygar, and those other counsel enumerated in **Schedule “A”** hereto, and no one else appearing, although duly served:

THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of the Notice of Hearing of Petition for this Order and the Application Record is hereby abridged and validated so that this Petition is properly returnable today and further service is hereby dispensed.

APPOINTMENT

2. Pursuant to section 243(1) of the *BIA*, section 39 of the *LEA*, section 66 of the *PPSA*, and Rule 10-2(1) of the *Rules of Court*, BDO Canada Limited is appointed as Receiver and Manager, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

3. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - a. to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - b. to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - c. to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - d. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including, without limitation, those conferred by this Order;
 - e. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the businesses of the Debtors or any part or parts thereof;
 - f. to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;

- g. to settle, extend or compromise any indebtedness owing to the Debtors;
- h. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- i. to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- j. to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- k. to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate in accordance with the Sales Process, as described herein;
- l. to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. without the approval of this Court in respect of a single transaction for consideration up to \$300,000 provided that the aggregate consideration for all such transactions does not exceed \$3,000,000; and
 - ii. with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, RSBC 1996, c. 359 shall not be required;
- m. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- n. to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- o. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- p. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- q. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

- r. to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- s. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including any of the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, financial statements and information, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
6. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any

computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. The Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

10. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

11. All rights and remedies (including, without limitation, set-off rights) against any of the Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the *BIA*, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the *BIA*.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

13. All Persons having oral or written agreements with any of the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of any of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post- Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

15. Subject to the employees' right to terminate their employment, all employees of any of the Debtors shall remain the employees of the respective Debtors until such time as the Receiver, on the respective Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit

amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

16. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
18. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
19. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
- a. before the Receiver’s appointment; or,
 - b. after the Receiver’s appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.
20. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental

condition or environmental damage affecting the Property, if the Receiver complies with the *BIA* section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

21. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - a. any gross negligence or wilful misconduct on its part; or
 - b. amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.
23. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
24. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$1,500,000** (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

26. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
27. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule “B”** hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.
28. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

SALES AND INVESTMENT SOLICITATION PROCESS

29. The Receiver is authorized and directed to carry out and conduct a Sales and Investment Solicitation Process (the “**Sales Process**”) in respect of the Property or any material portion or portions thereof, substantially in accordance with the sales process outlined in **Schedule “C”** to this Order, and the Receiver, and its respective advisors, are hereby authorized and directed to carry out the Sales Process in accordance with its terms and this Order and to take such steps and execute such documentation and agreements as they consider to be necessary or desirable in carrying out each of their obligations thereunder.
30. The Receiver is authorized to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property, in which case notice under subsection 59(6) of the PPSA.
31. The following sets out the target dates under the Sales Process, as further described in Schedule “C” (the “**Target Dates**”):
 - a. The Sales Process may be commenced on January 18, 2023 (the “**Commencement Date**”);
 - b. The deadline for receiving letters of intent shall be 30 days after the Commencement Date (the “**LOI Deadline**”);
 - c. The final bid process shall commence 7 days after the LOI Deadline;
 - d. The final bid deadline shall be 30 days after the LOI Deadline (the “**Final Bid Deadline**”);

- e. A Definitive Agreement, as defined in the Sales Process shall be entered into by no later than 14 days after the Final Bid Deadline (the “**Definitive Agreement Deadline**”); and
 - f. The outside closing date for the Definitive Agreement shall be May 15, 2023 (the “**Outside Closing Date**”).
32. For greater certainty, the Target Dates may be amended or extended if the Receiver and Waygar deem it to be necessary and advisable to do so or by further order of the Court.
33. The Receiver and its respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the Sales Process or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the Sales Process.
34. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, SC 2000, c 5 and Section 18(1)(o) of the *Personal Information Protection Act*, SBC 2003, c 63, and any regulations promulgated under the authority of either Act, the Receiver may disclose personal information of identifiable individuals to Potential Bidders (as defined in the Sales Process) and their advisors in connection with the Sales Process, but only to the extent desirable or required to carry out the Sales Process. Each Potential Bidder and their respective advisors to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Petitioner and the Property, and if it does not complete such a transaction, shall return all such information to the Petitioner, or in the alternative destroy all such information. The Successful Bidder (as defined in the Sales Process) shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Petitioner, and shall return all other personal information to the Petitioner, or ensure that all other personal information is destroyed.

ALLOCATION

35. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver’s Charge and Receiver’s Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

36. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.bdo.ca/en-ca/services/advisory/debt-and-financial-recovery-services/corporate-restructuring/> (the “**Website**”) and shall post there as soon as practicable:
- a. all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,

- b. all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
37. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as **Schedule “D”** (the “**Demand for Notice**”). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
38. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
39. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
40. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, RSC 1985, c C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, RSBC 1996, c 89 in respect of the British Columbia Crown.
41. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtors’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

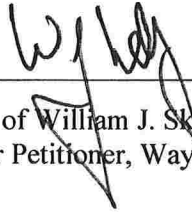
GENERAL

42. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
43. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

- 44. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
- 45. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 46. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
- 47. The Petitioner shall have its costs of and incidental to this motion, up to and including entry and service of this Order, on an indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
- 48. Endorsement of this Order by counsel appearing on this application other than the Petitioner's is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



Signature of William J. Skelly
lawyer for Petitioner, Waygar Capital Inc.

BY THE COURT



DISTRICT REGISTRAR



SCHEDULE "A"
LIST OF COUNSEL

Parties	Counsel
Petitioner - Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P.	William E.J. Skelly (MLT Aikins LLP)
Respondents - The Very Good Food Company Inc., 1218158 B.C. Ltd., 1218169 B.C. Ltd., The Cultured Nut Inc., The Very Good Butchers Inc., Lloyd-James Marketing Group Inc., and VGFC Holdings LLC	Kibben Jackson (Fasken Martineau DuMoulin LLP)
Proposed Receiver – BDO Canada Limited	Peter Reardon (Nathanson, Schacter & Thompson LLP)

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SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of The Very Good Food Company Inc. ("**VGFC**"), 1218158 B.C. Ltd. ("**158 BC Ltd.**"), 1218169 B.C. Ltd. ("**169 BC Ltd.**"), The Cultured Nut Inc. ("**Cultured**"), The Very Good Butchers Inc. ("**Butchers**"), Lloyd-James Marketing Group Inc. ("**Marketing**"), and VGFC Holdings LLC ("**Holdings**", and together with 158 BC Ltd., 169 BC Ltd., Cultured, Butchers, and Marketing, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the 16th day of January, 2023 (the "**Order**") made in SCBC Action No. [REDACTED] has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ [REDACTED], being part of the total principal sum of \$ [REDACTED] which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the last day of each month after the date hereof at a notional rate per annum equal to the rate of 14.95 per cent.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 25 King Street West, Suite 1700, Toronto, ON, M5L 2A1.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2023

BDO Canada Limited, solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

SCHEDULE "C"

SALES AND INVESTMENT SOLICITATION PROCESS

1. On January 13, 2023, Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**") filed a petition under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") for an order appointing BDO Canada Limited (the "**Receiver**") as the Receiver and Manager of all assets, undertakings and property of The Very Good Food Company Inc. ("**VGFC**"), 1218158 B.C. Ltd. ("**158 BC Ltd.**"), 1218169 B.C. Ltd. ("**169 BC Ltd.**"), The Cultured Nut Inc. ("**Cultured**"), The Very Good Butchers Inc. ("**Butchers**"), Lloyd-James Marketing Group Inc. ("**Marketing**"), and VGFC Holdings LLC ("**Holdings**", and together with 158 BC Ltd., 169 BC Ltd., Cultured, Butchers, and Marketing, the "**Companies**").
2. On January 16 , 2023, the Supreme Court of British Columbia (the "**Court**") issued the Receivership Order (the "**Order**"), appointing the Receiver and, among other things, approving this Sales and Investment Solicitation Process (the "**SISP**") with respect to the Companies and all of its present and after-acquired assets, undertakings, and properties of every nature and kind whatsoever, and wherever situated (collectively, the "**Property**").
3. This SISP describes the way the Receiver, on the terms set out herein, will advance this process and how interested parties may gain access to due diligence materials concerning the Companies and the Property, how bids involving the Companies, the Property, or any part or parts thereof ("**Bids**"), will be submitted and dealt with, and how the required court approvals will be dealt with in the receivership of the Companies in respect of any transaction or transactions involving the Companies or the Property.
4. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Companies, a sale of the Companies' Property on a going concern or piecemeal basis, or a combination thereof, which may include a merger, reorganization, recapitalization, primary equity issuance or other similar transaction (the "**Transaction**").
5. The Order, the procedures in respect of the SISP as contained herein (the "**SISP Procedures**") and any subsequent order issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

Definitions

6. All capitalized terms used but not otherwise defined herein shall have the following meanings:

“**Assets**” means the assets, undertakings and property of the Companies.

“**Bid**” means an offer made to the Companies to purchase all or any part of the Assets, the Business, or make an investment in any of the Companies.

“**Business**” means the business of manufacturing and selling food products carried on by the Companies.

“**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Vancouver, in the Province of British Columbia.

“**Definitive Agreement**” means the template agreement of purchase and sale provided by the Receiver to the Successful Bidder.

“**Representatives**” when used with respect to a person means each director, officer, employee, consultant, contractor, financial advisor, legal counsel, accountant and other agent, adviser or representative of that person.

Solicitation Process

7. The SISP Procedures set forth herein describe, among other things, the Property available for sale and the opportunity for an investment in the Companies, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Companies, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder, if any and the Court’s approval thereof. The SISP shall be conducted by the Receiver, with the assistance of the Companies, as provided for herein. If there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.

Sale and Investment Opportunity

8. A teaser package describing the opportunity to acquire all or substantially all of the Property or invest in the Companies will be made available by the Receiver to prospective purchasers or prospective strategic or financial investors. Those prospective purchasers that have expressed an interest in the opportunity will have executed a confidentiality agreement with the Companies and be granted access to a virtual data room (the “**VDR**”) that will be hosted by the Receiver. One or more letters of interest received from Qualified Bidder, but which are for less than substantially all of the Property, will not be precluded from consideration.

“As Is, Where Is”

9. The sale of the Property or investment in the Companies will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, the Companies, or any of their agents or estates, except to the extent set forth in the definitive sale or investment agreement with a Successful Bidder.

Free of Any and All Claims and Interest

10. In the event of a sale, all of the rights, title and interests of the Companies in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the “**Claims and Interests**”) pursuant to approval and vesting orders made by the Court under section 65.13(7) of the BIA, such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder and subject to any Claims and Interests that survive pursuant to applicable law.
11. An investment in the Companies may, at the option of the Successful Bidder, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies as a going concern, a sale of the Property to a newly formed acquisition entity on terms described in the above paragraph, or any applicable corporate legislation which compromises the Claims and Interests as set out therein.

Timeline

12. The following sets out the target dates under the SISP, as further detailed below (the “**Target Dates**”):
 - a. The SISP may be commenced on January 18, 2023 (the “**Commencement Date**”);
 - b. The deadline for receiving letters of intent shall be 30 days after the Commencement Date (the “**LOI Deadline**”);
 - c. The final bid process shall commence 7 days after the LOI Deadline;
 - d. The final bid deadline shall be 30 days after the LOI Deadline (the “**Final Bid Deadline**”);
 - e. A Definitive Agreement, as defined in the SISP shall be entered into by no later than 14 days after the Final Bid Deadline (the “**Definitive Agreement Deadline**”); and
 - f. The outside closing date for the Definitive Agreement shall be May 15, 2023 (the “**Outside Closing Date**”).

13. For greater certainty, the Target Dates may be amended or extended if the Receiver deems it to be necessary and advisable to do so, or by further order of the Court.

Phase I – Initial Timing

14. For a period of approximately 30 days following the date of the Order (“**Phase I**”), or for such shorter period as the Receiver may determine appropriate, the Receiver will solicit non-binding letters of interest from prospective strategic or financial parties to acquire the Companies, the Property or to invest in the Companies (“**Non-Binding LOIs**”).

Publication Notice

15. The Receiver shall cause a notice of the sale and investor solicitation process contemplated by these SISP Procedures and such other relevant information which the Receiver considers appropriate to be published in The Globe and Mail (National Edition) and such other publications as the Receiver may deem appropriate.

Participation Requirements

16. Unless otherwise ordered by the Court or as otherwise determined by the Receiver, in order to participate in the SISP, each person (a “**Potential Bidder**”) must deliver to the Receiver, with a copy to the Companies, at the address specified in Schedule A hereto (including by e-mail or fax transmission):
 - a. prior to the distribution of any confidential information by the Receiver, an executed confidentiality agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any purchaser of the Property or any investor in the Companies under these SISP Procedures; and
 - b. on or prior to the LOI Deadline (as defined below) specific indication of the anticipated sources of capital for the Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Receiver and its legal advisors to make, in their reasonable business or professional judgement, a determination as to the Potential Bidder’s financial and other capabilities to consummate the Transaction.
17. A Potential Bidder that has executed a confidentiality agreement, as described above, and delivers the documents described above, whose financial information and credit quality support or enhancement demonstrate to the satisfaction of the Receiver, in its reasonable business judgement, is likely (based on availability of financing, experience and other considerations) to be able to consummate a Sale Proposal (as defined below) or an Investment Proposal (as defined below) will be deemed a “**Qualified Bidder**”.
18. The determination as to whether a Potential Bidder is a Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the materials required above. If it is determined

that a Potential Bidder is a Qualified Bidder, the Receiver will promptly notify the Potential Bidder that it is a Qualified Bidder.

Due Diligence

19. The Receiver shall provide any person seeking to become a Qualified Bidder that has executed a confidentiality agreement and access to the VDR. The Receiver and the Companies and their respective contractors, advisors and consultants make no representation or warranty as to the information to be provided through the due diligence process in Phase II (as defined below) or otherwise (including in respect of the completeness and accuracy thereof).
20. For greater certainty, Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Companies in connection with their participation in the SISP and any Transaction they enter into with the Companies.

PHASE I

Seeking Non-Binding Letters of Interest from Qualified Bidders

21. Qualified Bidders that desire to participate in Phase I (a “**Bidder**”) shall submit a non-binding letter of interest (the “**Qualified Non-Binding LOI**”) that complies with all of the following requirements to the Receiver at the addresses specified in **Schedule A** hereto (including by e-mail or fax transmission), so as to be received by it not later than 5:00 PM (PST) on the LOI Deadline, or such later other date or time as the Receiver may determine:
 - (a) the Qualified Non-Binding LOI may be an offer to (i) acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), or (ii) make an investment in, restructure, reorganize or refinance the Companies (an “**Investment Proposal**”);
 - (b) in the case of a Sale Proposal, it identifies or contains, at minimum, the following:
 - (i) the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Qualified Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the Transaction;
 - (iv) a description of the conditions and approvals required for a final and binding offer, including any required regulatory approvals and any other factors affecting the speed, certainty and value of the Transaction;
 - (v) an outline of any additional due diligence required to be conducted in Phase II (as defined below), if any, in order to submit a final and binding offer; and

- (vi) any other terms or conditions of the Sale Proposal that the Qualified Bidder believes are material to the Transaction;
- (c) in the case of an Investment Proposal, it identifies, at minimum, the following:
- (i) the direct or indirect investment target;
 - (ii) a description of how the Qualified Bidder proposes to structure the proposed investment;
 - (iii) the aggregate amount of the equity and/or debt investment to be made in the Companies in Canadian dollars;
 - (iv) the underlying assumptions regarding the pro forma capital structure (including the anticipated debt levels, debt service fees, interest, and amortization);
 - (v) the equity, if any, to be allocated to any other secured or unsecured creditors of the Companies;
 - (vi) a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the Transaction;
 - (vii) a description of the conditions and approvals required for a final and binding offer, including any required regulatory approvals and any other factors affecting the speed, certainty and value of the Transaction;
 - (viii) an outline of any additional due diligence required to be conducted in Phase II (as defined below), if any, in order to submit a final and binding offer; and
 - (ix) any other terms or conditions of the Investment Proposal that the Qualified Bidder believes are material to the Transaction;
- (d) in the case of either of a Sale Proposal or an Investment Proposal, it:
- (i) contains such other information as reasonably requested by the Receiver;
 - (ii) fully discloses the identity of each entity or person that will be entering into the Transaction, that is participating in, or benefiting from, such bid, including any equity holders; and
 - (iii) contemplates closing the Transaction set out therein on or before May 15, 2023 (the “**Outside Closing Date**”) or such other date as may be determined by the Receiver.

22. The Receiver, may waive strict compliance with any one or more of the foregoing requirements and deem such non-compliant bids to be a Qualified Non-Binding LOI.

Phase I Bid Evaluation

23. Within seven (7) days following the LOI Deadline, or by such other later date as may be determined by the Receiver, the Receiver will assess the Qualified Non-Binding LOIs received during Phase

I, if any. If the Receiver determines that there are any reasonable Qualified Non-Binding LOIs, the SISP will continue into Phase II (“**Phase II**”) in accordance with these SISP Procedures.

PHASE II

Seeking Qualified Bids

24. During Phase II, each Qualified Bidder that was not eliminated from the SISP in accordance with these SISP Procedures shall have such due diligence access to materials and information relating to the Property and the Companies as the Receiver, in its reasonable business judgement deems appropriate, having regard to the advance to Phase II and the requirements of a Qualified Purchase Bid (defined below) and a Qualified Investment Bid (defined below).
25. A Qualified Bidder that is not eliminated from the SISP in accordance with these SISP Procedures and that desires to participate in Phase II will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid to the Receiver at the address specified in Schedule A hereto (including by e-mail or fax transmission) so as to be received by it not later than 5:00 PM (PST) on the Final Bid Deadline, or such later other date or time as may be agreed by the Receiver.

Qualified Purchase Bids

26. A bid submitted to acquire all or substantially all or a portion of the Property will be considered a Qualified Purchase Bid only if (i) the bid is submitted by a Qualified Bidder who submitted a Qualified Non-Binding LOI on or before the LOI Deadline; (ii) the Qualified Bidder was not eliminated from the SISP in accordance with these SISP Procedures; and (iii) the bid complies with all of the following (as applicable, a “**Qualified Purchase Bid**”):
 - (a) it is on substantially the same terms as the Qualified Non-Binding LOI submitted by such Qualified Bidder in Phase I of these SISP Procedures and constitutes, in the reasonable business judgement of the Receiver, a reasonable offer;
 - (b) it includes a letter stating that the Qualified Bidder’s offer is irrevocable until the earlier of (x) the selection of the Successful Bidder, and (y) thirty (30) days following the Final Bid Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder its offer shall remain irrevocable until the closing of the sale to the Successful Bidder;
 - (c) it includes a duly authorized and executed acquisition agreement, including the purchase price for assets proposed to be acquired, expressed in Canadian dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements);
 - (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Receiver to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the Transaction contemplated by the bid;

- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participants;
- (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
- (i) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- (j) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISP;
- (k) it is accompanied by a Deposit (defined below) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to not less than 10% of the Purchase Price, to be held and dealt with by the Receiver in accordance with these SISP Procedures; and
- (l) it contains other information reasonably requested by the Receiver.

Qualified Investment Bids

27. A bid submitted to make an investment in the Companies will be considered a Qualified Investment Bid only if (i) the bid is submitted by a Qualified Bidder who submitted a Qualified Non-Binding LOI on or before the LOI Deadline, (ii) the Qualified Bidder was not eliminated from the SISP in accordance with these SISP Procedures, and (iii) the bid complies with all of the following (a "Qualified Investment Bid"):
- (a) it is on substantially the same terms as the Qualified Non-Binding LOI submitted by such Qualified Bidder in Phase I of these SISP Procedures and constitutes, in the reasonable business judgment of the Receiver, a reasonable offer;

- (b) it includes a duly authorized and executed term sheet describing the terms and conditions of the proposed Transaction, including details regarding the proposed equity and debt structure of the Companies following completion of the proposed Transaction (the “**Term Sheet**”);
- (c) it includes a letter stating that the Qualified Bidder’s offer is irrevocable until the earlier of (x) the selection of the Successful Bidder and (y) thirty (30) days following the Final Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the investment by the Successful Bidder;
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Receiver to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the Transaction contemplated by the bid;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Companies or the completeness of any information provided in connection therewith except as expressly stated in the Term Sheet;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
- (i) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- (j) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISP;
- (k) it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to not less than 10% of the total investment contemplated by such Qualified Investment Bid, to be held and dealt with in accordance with these SISP Procedures; and
- (l) it contains other information reasonably requested by the Receiver.

28. Qualified Purchase Bids and Qualified Investment Bids shall hereinafter be referred to as “Qualified Bids” and each, a “Qualified Bid”.

Phase II Bid Evaluation

29. Following the Final Bid Deadline, the Receiver will assess the bids received. The Receiver shall, exercising its reasonable business judgement, approve the disqualification of any bids that are deemed not to be Qualified Bids. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
30. The Receiver may identify the most favourable of the qualified Bids received during Phase II (the “Successful Bid”). The Receiver shall then proceed to negotiate and settle the terms and conditions of a definitive agreement in respect of a Successful Bid by the Definitive Agreement Deadline, all of which shall be conditional upon Court approval and also conditional on the Successful Bid closing on or before April 15, 2023, or such date as shall be agreed to by the Receiver. If a definitive agreement has been negotiated and settled in respect of a Successful Bid, the person(s) who made the Successful Bid shall be the “Successful Bidder” hereunder.

Approval Motion

31. The hearing to authorize the Receiver to enter into agreements with respect to the Successful Bid (the “Approval Motion”) will be held on a date to be scheduled by the Court upon application by the Receiver. The Approval Motion may be adjourned or rescheduled by the Receiver and the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

Deposits

32. All deposits shall be held by the Receiver or Receiver’s counsel in a single interest-bearing account designated solely for such purpose. If there is a Successful Bidder, the Deposit (plus accrued interest, if any) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable upon Court approval. A Deposit paid by a Qualified Bidder shall be dealt with in accordance with these SISP Procedures. Deposits, and any interest earned thereon, paid by Qualified Bidders not selected as a Successful Bidder, and interest earned thereon, shall be returned to such Qualified Bidders within five (5) business days of Court approval of the Successful Bid.

Confidentiality and Access to Information

33. All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Qualified Bid or Successful Bid should be directed through the Receiver. Under no circumstances should any members of management, employees, customers, suppliers, or other creditors of the Companies be contacted by a Bidder directly without the prior consent of the Receiver. Any such unauthorized

contact or communication could result in exclusion of the interested party from the SISP at the discretion of the Receiver.

34. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Receiver and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Receiver, with the consent of the applicable participants, are seeking to combine separate bids into a single bid.
35. Notwithstanding the foregoing, under no circumstances will the Receiver share any material information concerning any of the bids with any person.

Supervision of the SISP

36. The Receiver shall oversee, in all respects, the conduct of the SISP and, without limitation to that supervisory role, the Receiver will participate in the SISP in the manner set out in this SISP Procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Companies, the Receiver and any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Receiver.
38. Without limiting the preceding paragraph, the Receiver shall not have any liability whatsoever to any person or party, including without limitation any Qualified Bidder, Bidder, the Successful Bidder, the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of such party's gross negligence or wilful misconduct. By submitting a bid, each Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever, except to the extent that such claim is the result of the gross negligence of, or wilful misconduct by, the Receiver.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
40. The Receiver shall have the right to modify the SISP Procedure if, in their reasonable business judgement, such modification will enhance the process or better achieve the objectives of the SISP, provided that the Service List in the Receivership of the Companies shall be advised of any substantive modification to the procedures set forth herein.

Miscellaneous

41. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

42. Each Qualified Bidder, upon being declared as such under the SISP Procedures, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP Procedures and the SISP.
43. At any time during the SISP Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.

Schedule "A"

BDO Canada Limited

Unit 1100 Royal Centre
1055 West Georgia Street, P.O. Box 11101
Vancouver, BC
V6E 3P3

Attention: Jervis Rodrigues
Phone: (604) 443-4724
Email: jrodrigues@bdo.ca
Fax: (604) 688-1532

and:

Attention: Chris Bowra
Phone: (604) 694-8372
Email: cbowra@bdo.ca
Fax: (604) 688-1532

SCHEDULE "D"

DEMAND FOR NOTICE

TO: Waygar Capital Inc.
c/o MLT Aikins LLP
Attention: William J. Skelly
Email: WSkelly@mltaikins.com

AND TO: BDO Canada Limited
c/o Nathanson, Schachter & Thompson LLP
Attention: Peter Reardon
Email: PReardon@nst.ca

Re: In the matter of the Receivership of THE VERY GOOD FOOD COMPANY INC., THE CULTURED NUT INC., 1218158 B.C. LTD., 1218169 B.C. LTD., LLOYD-JAMES MARKETING GROUP INC., THE VERY GOOD BUTCHERS INC., and VGFC HOLDINGS LLC

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____