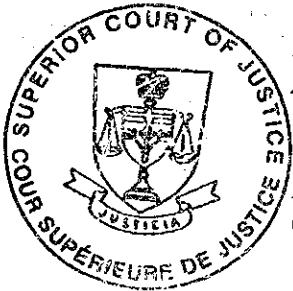


**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 12<sup>TH</sup>  
 )  
JUSTICE GANS ) DAY OF NOVEMBER, 2009



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 PRODUCT EXCELLENCE INC.

**ORDER**

**THIS MOTION**, made by the Applicant, PRODUCT EXCELLENCE INC. ("PEI") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order:

- (i) Approving the payments of pre-filing debts to certain critical suppliers (the "Additional Critical Suppliers");
- (ii) Approving the activities of PEI since August 14, 2009, including the transfer of certain inventory and assets not subject to the Agreement of Purchase and Sale (the "Sale Agreement") with ACI Brands Inc. (the "Purchaser");
- (iii) authorizing and directing PEI to distribute from the net proceeds received going forward from the completion of the sale transaction (the "Transaction") as contemplated in the Sale Agreement, such amounts as may be required to repay PEI's secured indebtedness to the second-ranking secured creditor, PEI Investments Inc. ("Investments");
- (iv) terminating the CCAA proceedings;

- (v) approving the accounts of Kronis, Rotsztain, Margles, Cappel, the lawyers for PEI, for the period August 4, 2009 to November 12, 2009;
- (vi) approving the activities and accounts of Deloitte & Touche Inc., the Monitor for PEI (the "Monitor") for the period August 4, 2009 to November 12, 2009;
- (vii) approving the accounts of Aylesworth LLP, the lawyers for the Monitor, for the period August 4, 2009 to November 12, 2009;
- (viii) discharging and releasing the Monitor; and.
- (ix) such further and other relief as to this Honourable Court may seem just,

was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Motion Record, the Second Report of the Monitor, and on hearing the submissions of counsel for PEI, counsel for the Monitor and such other counsel as were present, on being advised that Investments consents to the relief sought on this motion, and on being advised that the parties on the service list were properly served with the Notice of Motion and Motion Record herein, as appears from the affidavit of service of Kelly Barrett, sworn November 6, 2009, filed:

#### **SERVICE**

1. **THIS COURT ORDERS AND DECLARES** that the Notice of Motion and the Motion Record are properly served on the service list such that the Motion is properly returnable today and the requirement for service of the Notice of Motion and of the Motion Record upon any party not served is hereby dispensed with.

#### **ADDITIONAL CRITICAL SUPPLIERS**

2. **THIS COURT ORDERS** that notwithstanding paragraph 9 of the Initial Order of the Honourable Justice Lederman, dated August 4, 2009 (the "Initial Order"), PEI shall be permitted to pay any amounts currently owing, and that were owed, to the critical suppliers set out in paragraph 19 of the Affidavit of Norman Paul, sworn November 5, 2009, attached to the Motion Record, and that all previous payments to these critical suppliers are hereby approved.

### **APPROVAL OF ACTIVITIES**

3. **THIS COURT ORDERS AND DECLARES** that PEI is hereby authorized and directed to sell any and all assets that were not part of the Transaction, including certain inventory, and that all sales of such assets from August 4, 2009 through to the date of this Order, are hereby approved.

### **DISTRIBUTION OF SALE PROCEEDS TO INVESTMENTS**

4. **THIS COURT ORDERS AND DECLARES** that PEI is hereby authorized and directed to distribute from the net proceeds received from the completion of the Transaction contemplated in the Sale Agreement, such amounts as may be required to repay PEI's secured indebtedness to Investments.

### **TERMINATION OF THE CCAA PROCEEDINGS AND DISCHARGE OF THE MONITOR**

5. **THIS COURT ORDERS AND DECLARES** that the CCAA proceedings herein of PEI be and are hereby terminated.

6. **THIS COURT ORDERS AND DECLARES** that the Monitor is hereby released and discharged from any and all liability that the Monitor now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Monitor while acting in such capacity in these CCAA proceedings. Without limiting the generality of the foregoing, the Monitor is hereby forever released and discharged from any and all liability relating to matters that were raised or which could have been raised in the within CCAA proceedings, provided that nothing herein shall relieve the Monitor from any liability arising out of the gross negligence or wilful misconduct on the part of the Monitor.

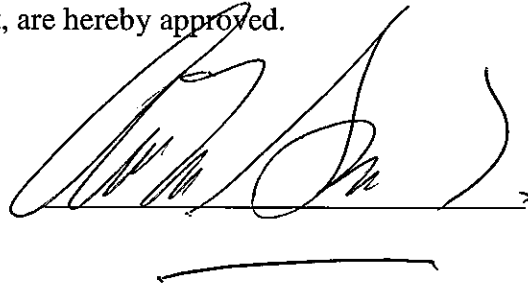
### **APPROVAL OF PROFESSIONAL FEES**

7. **THIS COURT ORDERS** that the fees and disbursements of Kronis, Rotsztain, Margles, Cappel, lawyers for PEI, for the period August 4, 2009 to November 12, 2009, as set out in the Affidavit of Mervyn D. Abramowitz, affirmed November 5, 2009, are hereby approved.

**APPROVAL OF ACTIVITIES AND ACCOUNTS OF THE MONITOR**

8. **THIS COURT ORDERS** that the activities of the Monitor, as set out in the First Report and Second Report, are hereby approved.

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, Aylesworth LLP, as set out in the Second Report, are hereby approved.

A handwritten signature in black ink, appearing to be 'M. J. O.', written over a horizontal line. Below the signature is a short horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

NOV 12 2009

PER / PAR: TV

**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 PRODUCT EXCELLENCE INC.**

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

PROCEEDINGS COMMENCED AT TORONTO

**ORDER  
(motion returnable November 12, 2009)**

**KRONIS, ROTSZTAIN, MARGLES, CAPPEL**  
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Lawyers for the Applicant, Product Excellence Inc.