Court File No. CV-19-000632052-00CL

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 AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.
(each an **"Applicant"** and collectively, the **"Applicants")**

NINTH REPORT OF THE MONITOR DATED AUGUST 31, 2020

INTRODUCTION

1. On December 2, 2019 (the "**Filing Date**"), the Court granted an initial order (as amended and restated from time to time, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") that, among other things, granted a stay of proceedings against the Applicants for an initial 10-day period (the "**Stay Period**"), appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the "**Monitor**"), and approved certain interim financing. The Applicants commenced these proceedings (the "**CCAA Proceedings**") to allow them an opportunity to restructure their business and affairs.

2. On December 12, 2019, the Court granted an order (the "**Amended and Restated Initial Order**") extending the Stay Period until March 12, 2020 and amending the Initial Order. The Stay Period has subsequently been extended by further orders of the Court to and including September 11, 2020.

3. On February 4, 2020, the Court granted an order approving the claims process (the “**Claims Process**”) proposed by the Applicants (the “**Claims Procedure Order**”).

4. On August 4, 2020, the Court granted an order (the “**Meeting Order**”), among other things: accepting the filing of the Applicants’ proposed Plan of Compromise and Arrangement (as amended, the “**Plan**”) authorizing the Applicants to establish a single class of Affected Creditors (as defined in the Meeting Order) for the purposes of considering and voting on the Plan; authorizing the Applicants to call, hold, and conduct a virtual meeting of the Affected Creditors to consider and vote on a resolution to approve the Plan (the “**Meeting**”); approving the procedures to be followed in connection with the Meeting; and setting the date for the hearing of the Applicants’ motion seeking this Court’s approval of the Plan (the “**Sanction Hearing**”) in the event that the Plan was approved by the required majority of Affected Creditors at the Meeting.

5. The Sanction Hearing is currently scheduled to proceed on September 11, 2020.

PURPOSE

6. The purpose of this ninth report of the Monitor (the “**Ninth Report**”) is to provide information to the Court on:

   a) amendments to the Plan since the Meeting Order was issued;

   b) the conduct of the Meeting held on August 25, 2020 in accordance with the Meeting Order;

   c) a report on the results of the Meeting, including the Monitor's tabulation of the votes cast by Affected Creditors; and

   d) the Monitor’s recommendation in respect of the Applicants’ motion seeking the Sanction Order.

TERMS OF REFERENCE

7. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

8. In preparing this Ninth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Ninth Report:

   a) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

   b) Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Ninth Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

10. All court documents and other materials related to the CCAA Proceedings have been posted on the Monitor's website at www.ey.com/ca/agmedica (the "**Monitor's Website**").

PLAN MODIFICATION

11. The Meeting Order provided that the Applicants, with the consent of the Monitor, could amend, restate, supplement or otherwise modify the Plan (each, a "**Plan Modification**") prior to the Meeting provided that (i) the Plan Modification was served on the Service List,

(ii) the Plan Modification was posted on the Monitor's Website, and (iii) notice of the Plan Modification was given at the Meeting prior to the vote.

12. On August 24, 2020, the Applicants served an amended version of the Plan (the "**Amended Plan**") on the Service List along with a comparison reflecting the changes made to the version that was filed with the Court in connection with the Applicants' motion for the Meeting Order. A copy of the Amended Plan is attached as **Appendix "A"**. A copy of the comparison is attached as **Appendix "B"**.

13. On August 24, 2020, the Amended Plan was posted on the Monitor's Website.

14. The following is a summary of the more significant amendments reflected in the Amended Plan, in addition to other minor amendments that were made for the sake of clarity:

a) <u>Escrow Agent for Class B Converting Creditors</u>: Section 3.6 of the Plan was amended to provide Class B Converting Creditors (as defined in the Amended Plan) with the option to elect to have their Class B Preferred Shares (as defined in the Amended Plan) held by an escrow agent by notifying the Applicants and the Monitor of that election in writing at least two (2) days before the Plan Implementation Date (as defined in the Amended Plan). Certain Affected Creditors, such as governmental authorities and U.S.-based entities, indicated that they cannot or would prefer not to hold equity in a licensed producer of cannabis. The escrow agent will hold the *pro rata* share of Class B Preferred Shares of any creditors that make this election on behalf of those creditors.

b) <u>Distributions as Returns of Capital:</u> Section 3.6 of the Plan was amended to provide that distributions of Free Cash Flow to be made by AgMedica to Class B Converting Creditors pursuant to the Plan will be made as a return of capital as opposed to a preferential dividend, as it is expected that this will be more tax efficient from the perspective of the Affected Creditors.

c) <u>Common Share Distribution Not to Exceed Proven Claim:</u> Section 3.7 of the Plan was amended to clarify that the face value of the Common Shares distributed to a Common Share Converting Creditor (as defined in the Amended Plan) pursuant to the Amended

Plan shall not exceed the quantum of such Common Share Converting Creditor's Proven Claim.

15. The Chair provided notice of the Amended Plan and an overview the above amendments at the Meeting prior to the vote, as discussed further herein.

CREDITORS' MEETING

Notice to Creditors

16. In accordance with the Meeting Order, the Monitor:

a) sent a copy of the Notice of Meeting, the Proxy, the Resolution, the Plan, the Eighth Report and the pre-registration form (as each is defined in the Meeting Order) (the "**Meeting Materials**") via email to each Known Affected Creditor (as defined in the Meeting Order), by no later than August 11, 2020;

b) posted copies of the Meeting Materials and the Election Notice on the Monitor's Website; and

c) caused the Newspaper Notice (as defined in the Meeting Order) to be published in *The Globe and Mail* (National Edition) on August 8, 2020.

17. In addition, the Applicants contacted several Known Affected Creditors directly to notify them of the Meeting and the Plan.

18. By the time the Meeting commenced at approximately 11:00 a.m. on August 25, 2020, the Monitor was in receipt of 73 Proxies representing 39% of the 185 Known Affected Creditors.

19. In light of the response and the various outreach efforts, the Monitor is of the view that Affected Creditors received reasonable notice of the Meeting.

20. Prior to the Meeting, the Monitor received five (5) Pre-Registration Forms from Affected Creditors who had not also submitted Proxies.

21. Pursuant to the Meeting Order, the Monitor sent all proxyholders and individuals who pre-registered an invitation which included a link to the virtual meeting prior to the Meeting.

Conduct of Meeting

22. As described in the eighth report of the Monitor dated July 31, 2020 (the “**Eighth Report**”), pursuant to the Meeting Order, the Meeting was held virtually via Microsoft Teams videoconference on August 25, 2020 at approximately 11:00 a.m. Alex Morrison, an officer of the Monitor, chaired the Meetings (the "**Chair**"). The Chair appointed Trevor Courtis of McCarthy Tétrault LLP, the Monitor’s legal counsel, to act as secretary at the Meeting, and appointed Cecilia Wang and Franca Mazzulla, representatives of the Monitor, to act as scrutineers (the "**Scrutineers**") at the Meeting.

23. The Chair advised Eligible Voting Creditors (as defined in the Meeting Order) present at the Meeting that the Scrutineers had confirmed that the required quorum was present in person or by proxy at the Meeting.

24. In addition to Affected Creditors, the Applicants’ officers and legal counsel, the Monitor and its legal counsel were also present at the Meeting.

25. Attached as **Appendix “C”** are the Scrutineers’ reports on attendance at the Meeting.

26. After calling the Meeting to order, the Chair outlined the purpose of the Meeting and provided an overview of the Plan and the amendments that had been made to the Plan. The Chair then outlined the Monitor’s recommendation with respect to the Plan and reviewed the guidelines for the voting process as set out in the Meeting Order. Prior to voting on the Plan, Affected Creditors were given the opportunity to ask any questions in respect of the Plan or the voting process.

27. A copy of the Minutes of the Meeting is attached as **Appendix “D”**.

28. The table below sets out the votes of Affected Creditors with Proven Claims voting at the Meeting in person or by proxy, as reported to the Affected Creditors at the Meeting. As indicated in the Plan and approved in the Meeting Order, all Affected Creditors were in a single class:

Resolved Claims				
	Number	**Percentage**	**Dollar Value**	**Percentage**
Votes FOR	72	94.7%	$14,077,466.07	87.9%
Votes AGAINST	4	5.3%	$1,945,701.91	12.1%
Total	76		$16,023,147.98	

29. The Chair noted that there were no unresolved claims voting. Based on the results of the vote summarized in the table above, the Resolution was passed by the Required Majority (majority in number holding two-thirds in value) of the single class of Affected Creditors voting at the Meeting. Accordingly, the Chair declared that the Resolution had been adopted and the Plan was duly approved.

30. The Monitor subsequently reviewed the votes that had been submitted at the Meeting and determined that one of the votes made on the on-line survey was inadvertently excluded from the tabulation that was reported at the Meeting and is indicated above. Including this vote (which was for the Plan), the final tabulation of the votes at the Meeting is:

Revised Resolved Claims				
	Number	**Percentage**	**Dollar Value**	**Percentage**
Votes FOR	73	94.8%	$14,127,446.07	87.9%
Votes AGAINST	4	5.2%	$1,945,701.91	12.1%
Total	77		$16,073,147.98	

MONITOR'S RECOMMENDATION REGARDING SANCTION

31. The Monitor is of the view that:

a) the Applicants have been in strict compliance with all statutory requirements;

b) all material filed and procedures carried out by the Applicants were authorized by the CCAA; and

c) the Plan is fair and reasonable.

32. As previously set out in the Eighth Report, the Monitor believes the Plan will produce a more favourable result for the Affected Creditors than they would likely receive in connection with a going concern sale or forced liquidation of the assets of the Applicants. The Plan provides for a distribution to the Affected Creditors. The Monitor does not expect that there would be any funds available for distribution to the Affected Creditors in the event of a sale or liquidation.

33. Accordingly, the Monitor respectfully recommends that the Court grant the Applicants' request for an order sanctioning the Plan, if it sees fit to do so.

All of which is respectfully submitted this 31st day of August, 2020.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicants, and not in its corporate or personal capacity.

per:

Alex Morrison, CPA, CA
Senior Vice President

APPENDIX "A"

AMENDED PLAN

Court File No. CV-19-00632052-00CL

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 **AGMEDICA BIOSCIENCE INC. 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.** (each an **"Applicant"** and collectively, the **"Applicants"**)

PLAN OF COMPROMISE AND ARRANGEMENT
pursuant to the *Companies' Creditors Arrangement Act*
affecting and involving the Applicants

August 22, 2020

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PLAN OF COMPROMISE AND ARRANGEMENT

This is the plan of compromise and arrangement of the Applicants pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan:

"**Administration Reserve**" is defined in Section 5.1.

"**Affected Claims**" means the Claims of Affected Creditors.

"**Affected Creditor**" means all Creditors that are not Unaffected Creditors.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"**AgMedica**" means AgMedica Bioscience Inc.

"**Applicable Law**" means:

(i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and

(ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

"**Applicant**" means any of the Applicants referred to individually.

"**Applicants**" means AgMedica Bioscience Inc., 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavitat Naturals Inc., Worldwide Beverage Innovations Inc., Unique Beverages (USA) Inc., and Eseela Inc.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Business**" means the business conducted by the Applicants, consisting primarily of the production, distribution, and sale of dried cannabis flower, pre-rolled cannabis joints, cannabis softgel capsules, and cannabis oil, and the related marketing and sale thereof and other related business operations ancillary thereto.

"**Business Day**" means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Charges**" means all court-ordered charges created by the Initial Order or subsequent orders in the CCAA Proceeding, including the charge in favour of the DIP Lender.

"**CCAA Priority Payment Claims**" means claims for amounts required to be paid by sections 6(3), (5) and (6) of the CCAA.

"**CCAA Proceeding**" means the proceeding under the CCAA bearing Court File No. CV-19-00632052-00CL in respect of or relating to the Applicants, commenced pursuant the Initial Order.

"**Claim**" means

(i) any Pre-Filing Claim;

(ii) any Restructuring Claim;

(iii) any D&O Claim;

(iv) any Equity Claim;

(v) any CCAA Priority Payment Claims; and

(vi) any Secured Claim.

provided, however, that "Claim" will not include any investigation, action, suit, order or proceeding in respect of the Applicants by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a "claim" within the meaning of the CCAA. And provided that in any case "Claim" shall not include an Unaffected Claim;

"**Claims Procedure Order**" means the Claims Procedure Order granted by Mr. Justice McEwen in the CCAA Proceeding dated February 4, 2020.

"**Class A Preferred Shares**" means the 400,000,000 Class A Preferred Shares of AgMedica that AgMedica shall issue to the Equity Subscribers pursuant to the Offering.

"**Class B Converting Creditor**" means all Affected Creditors with Proven Claims exceeding $1,000 that select or are deemed to have selected the Class B Preferred Share Conversion Option (which includes a Common Share Converting Creditor who is owed additional amounts following the issuance of the Common Shares pursuant to the Plan).

"**Class B Preferred Share Conversion Option**" is defined in Section 3.6.

"**Class B Preferred Shares**" means the 5,000,000 Class B Preferred Shares of AgMedica that AgMedica shall issue to the Class B Converting Creditors pursuant to the Plan.

"**Common Share Conversion Option**" is defined in Section 3.7.

"**Common Share Converting Creditor**" means all Affected Creditors with Proven Claims exceeding $1,000 that select the Common Share Conversion Option.

"**Common Shares**" means the common shares in the capital of AgMedica that are duly issued and outstanding at any time.

"**Convenience Amount Option**" is defined in Section 3.5.

"**Convenience Creditor**" means all Affected Creditors with Proven Claims in the amount of $1,000 or less, and all Affected Creditors with Proven Claims exceeding $1,000 who select the Convenience Amount Option by filing an Election Notice.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Creditor**" means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

"**D&O Claim**" as defined in the Claims Procedure Order, means any right or claim of any Person against one or more of the Directors of one or more of the Applicants or any of them, howsoever arising whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors with respect to any matter, action, cause or chose in action, however arising and whether:

(a) based in whole or in part on facts that existed prior to the Filing Date, (B) relating to a time period prior to the Filing Date, or (C) it is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date (a "**D&O Pre-Filing Claim**"); or

(b) based on facts that arose in connection with the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation, whether written or oral (a "**D&O Restructuring Claim**"),

in each case for which the Directors are alleged to be, by statute or otherwise by law or equity, liable to pay in their capacity as Directors.

"**DIP Facility**" means the debtor-in-possession super priority non-revolving credit facility in the maximum principal amount of $7,500,000 provided by the DIP Lender to the Applicants pursuant to the DIP Facility Agreement and the Initial Order.

“**DIP Facility Agreement**” means the agreement entered into between the DIP Lender and the Applicants dated December 20, 2019, pursuant to which the DIP Lender agreed to provide the Applicants with the DIP Facility, subject to the terms and conditions of the DIP Facility Agreement and the Initial Order.

“**DIP Lender**” means SF V Bridge III, LP.

“**Director**” means any Person who, as at the Effective Time, is a former or present director or officer of the Applicants, or any of them, or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of any of the Applicants or who currently manages or supervises the management of the business and affairs of any of the Applicants or did so in the past.

“**Distribution Date or Dates**” means the Business Day or Business Days upon which distributions are made by the Applicants to the Affected Creditors in accordance with the provisions of the Plan.

“**Effective Time**” means such time on the Plan Implementation Date as the Applicants may determine.

“**Election Notice**” means a duly and timely filed election in the prescribed form to be provided by the Applicants to Affected Creditors pursuant to which an Affected Creditor with a Proven Claim exceeding $1,000 may elect to receive payment of $1,000 as a Convenience Creditor in full satisfaction of such Proven Claim pursuant to Sections 3.5 and 6.3, subject to the terms and implementation of the Plan.

“**Employees**” means all individuals currently or formerly employed by the Applicants, or any of them, immediately prior to the Effective Time, whether on a full-time, part-time, salaried, or hourly basis, including current employees on long-term disability or any other leave of absence, which, for greater certainty, does not include contractors.

“**Encumbrance**” means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Applicants own or control or to which the Applicants are entitled or that secures payment or performance of an obligation, or similar charge of any kind.

“**Equity Claim**” as defined in the Claims Procedure Order, means a Claim that constitutes an “equity claim” as that term is defined in section 2(1) of the CCAA.

“**Equity Interests**” has the meaning ascribed thereto in section 2(1) of the CCAA and includes, any stock options that have not yet been exercised in respect of the Common Shares, and any other interest in or entitlement to shares in the capital of the Company, but, for greater certainty, does not include any of the Common Shares (including the Existing Shares and any Common Shares to be issued pursuant to the Plan), the Class A Preferred Shares, or the Class B Preferred Shares.

"**Equity Subscribers**" means investors who have entered into Equity Subscription Agreements as part of the Offering.

"**Equity Subscription Agreements**" means the agreements by which the Equity Subscribers subscribe for an aggregate of $4,000,000 of Class A Preferred Shares at a price per share of $0.01 pursuant to the Offering.

"**Equity Subscription Amount**" means the amount payable by any Equity Subscriber to the Applicants pursuant to the Equity Subscription Agreement.

"**Existing Shares**" means all of the Common Shares that are issued and outstanding immediately prior to the Effective Time, subject to any adjustment as provided for in this Plan.

"**EY**" means Ernst & Young Inc. in respect of the services it provided to any Applicant before and after the Filing Date in its capacity as Monitor, and includes Ernst & Young LLP and any of its affiliates, partners, officers, directors, employees, agents, subcontractors, and legal counsel.

"**Filing Date**" means December 2, 2019.

"**Free Cash Flow**" means the sum of:

(a) AgMedica's consolidated net income (that is attributable to AgMedica) after tax, before the free cash flow sweep;

plus/minus

(b) All of AgMedica's non-cash charges or credits (i.e., depreciation, deferred tax, etc.) included in the calculation of "(a)" above;

plus/minus

(c) The changes in AgMedica's working capital in the year;

less

(d) The capital expenditures (including, without limitation, capital expenditures relating to expansion and maintenance) incurred in the course of AgMedica's Business in the year.

less

(e) Mandatory debt principal payments.

"**Governmental Authority**" means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

"**Initial Order**" means the order obtained from the Court on the Filing Date commencing the CCAA Proceeding, as amended and/or amended and restated from time to time.

“**Insured Claims**” is defined in Section 2.3(d).

“**Intercompany Claims**” means the Claims of any Applicant in respect of, or relating to, any of the other Applicants.

“**Meeting**” means a meeting of the Affected Creditors to consider and vote on the Plan, to be held pursuant to the Meeting Order.

“**Meeting Order**” means an order of the Court in the CCAA Proceeding directing the calling and holding of one or more Meetings of Affected Creditors to consider and vote on the Plan.

“**Monitor**” means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further order of the Court.

“**Offering**” is defined under “Recapitalization Transaction”.

“**Order**” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

“**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

“**Plan**” means this Plan of Compromise and Arrangement pursuant to the CCAA concerning, affecting and involving the Applicants, including all Schedules hereto.

“**Plan Implementation Conditions**” is defined in Section 9.1.

“**Plan Implementation Date**” means the Business Day on which the Plan becomes effective, which, for greater certainty, shall be the Business Day designated by the Applicants in consultation with the Monitor pursuant to Section 9.2 and as reflected in the certificate contemplated in Section 9.3.

“**Pre-Filing Claim**” as defined in the Claims Procedure Order, means any right of claim of any Person against any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever in existence at the time of the Initial Order, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Applicants which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, including for greater certainty any claim against any of the Applicants for indemnification by any Directors in respect of a D&O Pre-Filing Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order).

"**Post-Filing Claim**" means any Claim arising after the Filing Date that is not a Restructuring Claim or a D&O Restructuring Claim, including, without limitation, any Claims for goods and services provided to the Applicants, or any of them, after the Filing Date.

"**Proof of Claim**" means a proof of claim filed in accordance with the Claims Procedure Order.

"**Proven Claim**" means a Claim (or the portion thereof) that has been finally determined in accordance with the Claims Procedure Order or any other Order: (i) in the case of an Affected Claim, for voting and distribution purposes hereunder; and (ii) in the case of any Unaffected Claim, for the purposes of any treatment thereof contemplated by the Plan.

"**Recapitalization Term Sheet**" means the Term Sheet summarizing the key terms of the Recapitalization Transaction.

"**Recapitalization Transaction**" means the two-step transaction pursuant to which:

(a) AgMedica shall issue 400,000,000 Class A Preferred Shares to the Equity Subscribers at a price of $0.01 per share in order to raise the aggregate amount of $4,000,000 (the "**Offering**"), the proceeds of which shall be used to fund the Plan and the Applicants' working capital requirements following the Plan Implementation Date; and

(b) the Applicants shall execute a secured debt facility agreement (the "**Secured Exit Facility Agreement**") with AgriRoots Capital Management Inc. ("**AgriRoots**"), pursuant to which AgriRoots shall provide the Applicants with a secured credit facility in the maximum principal amount of $10,000,000 (the "**Secured Exit Facility**"), subject to the terms of the Secured Exit Facility Agreement, which shall be used to repay a portion of the Secured Claims and fund the Applicants' working capital requirements after the Plan Implementation Date.

"**Released Claims**" is defined in Section 7.1.

"**Released Parties**" is defined in Section 7.1.

"**Representatives**" means, in relation to a Person, such Person's current and former directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

"**Required Majority**" means a majority in the number of Affected Creditors representing at least two-thirds of the value of the aggregate amount of all Proven Claims held by the Affected Creditors that are present and voting, either in person or by proxy, at the Meeting in accordance with section 6(1) of the CCAA.

"**Restructuring Claim**" as defined in the Claims Procedure Order, means any right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation whether written or oral, including for greater certainty any claim against any of the Applicants for indemnification by any Directors in respect of a D&O Restructuring Claim (but excluding any such claim for indemnification that is covered by the CCAA Charge in favour of the Directors).

"**Restructuring Steps**" is defined in Section 4.1.

"**Sanction Order**" means the Order of the Court in the CCAA Proceeding sanctioning and approving the Plan pursuant to section 6(1) of the CCAA, which shall include such terms as may be necessary or appropriate to give effect to the Plan.

"**Secured Claims**" as defined in the Claims Procedure Order, means Claims or any portions thereof that are: (i) secured by security validly charging or encumbering property or assets of the Applicants (including statutory and possessory liens that create security interests) up to the value of such collateral; and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date.

"**Secured Exit Facility**" is defined under "Recapitalization Transaction".

"**Secured Exit Facility Agreement**" is defined under "Recapitalization Transaction".

"**Unaffected Claim**" is defined in Section 2.3.

"**Unaffected Creditor**" means a Creditor with an Unaffected Claim.

"**Uncashed Distribution**" is defined in Section 0.

"**Undeliverable Distribution**" is defined in Section 0.

"**Unresolved Claim**" means an Affected Claim (or the portion thereof) that at the relevant time is not a Proven Claim and is not barred pursuant to the Claims Procedure Order, but in respect of which a Proof of Claim has been filed in a proper and timely manner or a notice of claim delivered by the Applicants or the Monitor, in each case in accordance with the Claims Procedure Order.

"**Unresolved Claims Reserve**" is defined in Section 5.1.

1.2 **Certain Rules of Interpretation**

For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;

(b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;

(c) unless otherwise specified, all references to currency are in Canadian dollars;

(d) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;

(e) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

(f) the words "includes" and "including" and similar terms of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;

(g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;

(h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(j) references to a specified "article" or "section" will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions will be deemed to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto; and

(k) references to "Affected Creditor" or "Unaffected Creditor" refer to Creditors of the Applicants in such capacity.

1.3 **Successors and Assigns**

The Plan will be binding upon and enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of any Person named or referred to in or subject to the Plan.

1.4 **Governing Law and Jurisdiction**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions will be subject to the exclusive jurisdiction of the Court.

1.5 **Claims Made in Currency Other than Canadian Dollars**

All Affected Claims that are made in a currency other than Canadian Dollars shall be converted to Canadian Dollars for both voting and distribution purposes, using the Bank of Canada's average exchange rate as at the Filing Date for the purchase of Canadian Dollars.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 **Purpose**

The purposes of the Plan are to:

(a) complete a restructuring and recapitalization of the Applicants by, among other things, effecting the Recapitalization Transaction, which will provide the Applicants with a stronger financial foundation and sufficient working capital to emerge from the CCAA Proceeding;

(b) provide for a compromise of, and consideration for, all Affected Claims that are Proven Claims by providing to holders of all Affected Claims that are Proven Claims a distribution in accordance with one of the three distribution options described in Section 3 and 6 below;

(c) effect a release and discharge of all Affected Claims and Released Claims;

(d) ensure the Applicants and their Business continue as a going concern, having addressed their liquidity issues, with the expectation that all Affected Creditors will derive a greater benefit from implementation of the Plan than they would derive from a bankruptcy or liquidation of the Applicants; and

(e) permit the Applicants to exit the CCAA Proceeding after obtaining an Order of the Court terminating the CCAA Proceeding after the Plan Implementation Date.

2.2 Affected Claims and Released Claims

The Plan provides for a compromise with Affected Creditors and a full, final and irrevocable release and discharge of the Affected Claims and the Released Claims. The Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the Applicants, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

2.3 Unaffected Claims

Subject to the express provisions hereof providing for the payment of certain Unaffected Claims, the Plan does not affect or compromise the following (collectively, the "**Unaffected Claims**"):

(a) Claims secured by the CCAA Charges;

(b) Secured Claims that are accepted as or determined to be Proven Claims pursuant to the Claims Procedure Order as Secured Claims;

(c) CCAA Priority Payment Claims;

(d) Subject to Section 3.10 hereof, that portion of a Claim arising from a cause of action for which the Applicants are covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the Applicants, provided, however, that the claimant in respect of such a Claim shall be solely responsible for any deductible in connection therewith ("**Insured Claims**");

(e) Claims by any Director under any directors' or officers' indemnity policy or agreement with the Applicants, or any of them, to the extent not otherwise covered by the CCAA Charges;

(f) Claims by EY or counsel to the Applicants, to the extent not otherwise covered by the CCAA Charges;

(g) Post-Filing Claims; and

(h) Intercompany Claims.

Nothing in the Plan will affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

Nothing herein shall constitute a waiver of any right of either the Monitor or the Applicants to dispute the validity or quantum of any Unaffected Claim.

2.4 **Equity Claims**

At the Effective Time, the Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the Plan and will not be entitled to vote on the Plan in respect of their Equity Claims. On the Plan Implementation Date all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred without any compensation of any kind whatsoever.

At the Effective Time, all certificates and any other agreements or instruments evidencing Equity Interests will not entitle any holder thereof to any compensation or participation other than as provided in the Plan and shall be irrevocably and forever cancelled and extinguished.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 **Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Procedure Order, the Meeting Order, the provisions of the CCAA, the Plan, and any further Order of the Court. For greater certainty, the Claims Procedure Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 **Classification of Creditors**

In accordance with the Meeting Order, Affected Creditors will be placed into a single class for the purposes of considering and voting on the Plan.

3.3 **Creditors' Meeting**

The Meeting will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are those specified in the Meeting Order and any further Order of the Court. The rules developed to govern the Meeting shall, among other things, account for the COVID-19 pandemic.

3.4 **Treatment of Affected Claims**

(1) At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, all Affected Claims will be fully, finally, irrevocably and forever compromised,

released, discharged, cancelled and barred subject only to the limited right of Affected Creditors with Proven Claims to receive distributions pursuant to the Plan.

(2) All Affected Creditors with Proven Claims exceeding $1,000 shall have the option to select one of the following three distribution options in full and final satisfaction of their claims by filing an Election Notice in the prescribed form by the prescribed deadline:

(a) the Convenience Amount Option (see Section 3.5);

(b) the Class B Preferred Share Conversion Option (see Section 3.6); and

(c) the Common Share Conversion Option (see Section 3.7).

(3) All Affected Creditors with Proven Claims of $1,000 or less shall be automatically deemed to have selected the Convenience Amount Option and shall be deemed Convenience Creditors.

3.5 **Convenience Amount Option**

Affected Creditors who select, or who are deemed to have selected, the Convenience Amount Option (each, a "**Convenience Creditor**" and collectively, the "**Convenience Creditors**") shall receive the lesser of $1,000 and the quantum of their Proven Claim on the Distribution Date in full and final satisfaction of their Claim.

3.6 **Class B Preferred Share Conversion Option – Default Option**

All Affected Creditors who do not select, or who are not deemed to have selected, either the Convenience Amount Option or the Common Share Conversion Option shall be deemed to have selected the Class B Preferred Share Conversion Option. In addition, pursuant to Section 3.7, any additional amounts owing to the Common Share Converting Creditors following the issuance of the Common Shares pursuant to the Plan shall receive a *pro rata* portion of Class B Preferred Shares in satisfaction of such shortfall.

Affected Creditors who are deemed to have selected the Class B Preferred Share Conversion Option and Affected Creditors who selected the Common Share Conversion Option but are owed additional amounts following the issuance of the Common Shares pursuant to the Plan (each, a "**Class B Converting Creditor**" and collectively, the "**Class B Converting Creditors**") shall be issued a *pro rata* amount of 5,000,000 Class B Preferred Shares in the aggregate face value of $5,000,000 less the amount of any Unresolved Claims on the Plan Implementation Date (the "**Aggregate Face Value**") on the Distribution Date (or such later date in accordance with Section 6.7 in respect of any Unresolved Claim that becomes a Proven Claim, if any) in full and final satisfaction of their Claim. For the purposes of this Section, any fractional number of Class B Preferred Shares to which a Class B Converting Creditor is entitled hereunder shall be rounded down to the nearest whole Class B Preferred Share. If any Affected Creditor to be issued Class B Preferred Shares pursuant to this section cannot hold such shares or elects not to hold such shares directly, such Affected Creditor may elect to have such Class B Preferred Shares held by an escrow agent on their behalf by notifying the Applicants and the Monitor in writing two days prior to the Plan Implementation Date.

The Class B Preferred Shares shall be redeemed by AgMedica on a yearly and pro rata basis at a price of $1.00 per Class B Preferred Share in an aggregate amount equal to 10% of AgMedica's Free Cash Flow during the preceding fiscal year, based on AgMedica's annual financial statements, within sixty (60) days after AgMedica issues such annual financial statements. For greater certainty, the first such annual redemption that shall occur to the Class B Converting Creditors under the Plan will be in respect of the first full fiscal year after the Plan Implementation Date.

In addition, AgMedica may, at any time, in its sole discretion, redeem the Class B Preferred Shares, in whole or in part, at a redemption price per share equal to $1.00.

The Class B Preferred Shares are non-voting.

In the event of a liquidation or winding up of AgMedica prior to the date on which the Class B Preferred Shares are redeemed by AgMedica, the Class B Converting Creditors shall rank in priority to the holders of Common Shares, the holders of the Class A Preferred Shares in accordance with the Recapitalization Transaction, for the purposes of distributing the proceeds derived from the assets of AgMedica.

3.7 Common Share Conversion Option

Affected Creditors who select the Common Share Conversion Option (each, a "**Common Share Converting Creditor**" and collectively, the "**Common Share Converting Creditors**") shall be issued a *pro rata* amount of 61,965,221 Common Shares (the "**Common Share Cap**") at a conversion rate of $0.01 per share (the "**Common Share Conversion Rate**") in the aggregate amount of $619,652.21 on the Distribution Date up to the full amount of their Proven Claim. The Common Share Cap will represent 10% of the total amount of issued and outstanding Common Shares and Class A Preferred Shares on an as converted basis at the Effective Time.

The number of Common Shares issued pursuant to the Plan shall not exceed the Common Share Cap. In the event that the total number of Common Shares to be issued under the Plan to the Common Share Converting Creditors would otherwise exceed the Common Share Cap because the aggregate value of the Common Share Converting Creditors' Proven Claims exceeds $619,652.21, the number of Common Shares to which each such Common Share Converting Creditor is entitled under the Plan shall be reduced on a *pro rata* basis and shall be calculated by taking the product of: (a) 61,965,221; and (b) the quantum of the Proven Claim held by the Common Share Converting Creditor divided by the quantum of the claims held by all Common Share Converting Creditors.

The face value of the Common Shares distributed to a Common Share Converting Creditor pursuant to the Plan shall not exceed the quantum of such Common Share Converting Creditor's Proven Claim. If the face value of the Common Shares distributed to a Common Share Converting Creditor equals the quantum of such Common Share Converting Creditor's Proven Claim, such distribution will be in full and final satisfaction of their Proven Claim.

If there are any additional amounts owing to the Common Share Converting Creditors following the issuance of the Common Shares pursuant to the Plan, the Common Share Converting Creditors shall receive a *pro rata* portion of Class B Preferred Shares in satisfaction of such shortfall, and such distribution will be in full and final satisfaction of their Proven Claim.

For the purposes of this Section, any fractional number of Common Shares to which a Common Share Converting Creditor is entitled hereunder shall be rounded down to the nearest whole Common Share.

3.8 **Capital Structure after Recapitalization Transaction and Distributions**

After the execution of the Recapitalization Transaction and the distributions by the Applicants to the Affected Creditors pursuant to the Plan, AgMedica's *pro forma* capital structure shall be as follows:

(a) Voting Shares:

(i)	Existing Common Shares:	157,795,431	(25.4%)
(ii)	Class A Preferred Shares:	400,000,000	(64.6%)
(iii)	New Common Shares:	61,965,221	(10.0%)

(b) Non-Voting Shares:

(i)	Class B Preferred Shares:	5,000,000	(100%)

3.9 **Unaffected Claims**

Unaffected Creditors will not be entitled to vote on the Plan. Unaffected Claims will be paid in accordance with Section 6.6, or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the Applicants.

3.10 **Insured Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Claim will be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable insurance policies, and Persons with any Insured Claims will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. This Section 3.10 may be relied upon by the Applicants and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

3.11 **Unresolved Claims**

No Affected Creditor will be entitled to receive any distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally resolved in the manner set out in the Claims Procedure Order and becomes a Proven Claim entitled to the treatment described in Section 3.4 hereof.

3.12 **Extinguishment of Claims**

At the Effective Time, in accordance with the sequence of steps set out in Section 4.1 hereof and in accordance with the terms of the Plan and Sanction Order, the treatment of Affected Claims (including Unresolved Claims) and Released Claims, in each case as set forth herein, will be final and binding on the Applicants, Affected Creditors and any Person holding a Released Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred and the Applicants will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (i) nothing herein releases the Applicants from the obligation to make distributions or provide entitlements in the manner and to the extent provided for in the Plan; and (ii) such discharge and release of the Applicants will be without prejudice to the right of an Affected Creditor in respect of an Unresolved Claim to prove such Unresolved Claim in accordance with the Claims Procedure Order.

3.13 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan will be entitled to any greater rights as against the Applicants than the Person whose Claim is compromised under the Plan.

3.14 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Applicants will be and are hereby entitled to set-off from any payments or distributions to be made to a Creditor hereunder any amount due and owing to the Applicants from such Creditor.

ARTICLE 4
FINANCING & RESTRUCTURING STEPS

4.1 Restructuring Steps

At the Effective Time on the Plan Implementation Date, the following will occur, and be deemed to have occurred, in the order set out below unless otherwise specified in this Section 4.1 and become effective, without any further act or formality (collectively, the "**Restructuring Steps**"):

(a) the Applicants will undertake the two-step Recapitalization Transaction as follows:

(i) AgMedica shall issue 400,000,000 Class A Preferred Shares to the Equity Subscribers at a price of $0.01 per share in order to raise the aggregate amount of $4,000,000 (the "**Offering**"), the proceeds of which shall be used to fund the Plan and the Applicants' working capital requirements following the Plan Implementation Date; and

(ii) The Applicants shall execute the Secured Exit Facility Agreement with AgriRoots, pursuant to which AgriRoots shall provide the Applicants with the Secured Exit Facility, subject to the terms of the Secured Exit Facility Agreement, which shall be used to repay a portion of the Secured Claims and fund the Applicants' working capital requirements after the Plan Implementation Date;

(b) the Applicants will pay the DIP Lender all amounts required to satisfy all obligations and liabilities of the Applicants to the DIP Lender under the DIP Facility Agreement;

(c) to the extent not already paid, the Applicants will deliver to the Monitor, in trust, the amount required to satisfy the CCAA Charges and the CCAA Priority Payment Claims in full, which Unaffected Claims will be paid by the Monitor, for and on behalf of the Applicants from such funds within five (5) Business Days of the Plan Implementation Date or with respect to previous employees, five (5) Business Days after the clearance from Employment and Social Development Canada (unless otherwise agreed to between the Applicants and such Unaffected Claim holders);

(d) the Applicants will pay to the Secured Creditors all amounts required to satisfy all obligations and liabilities of the Applicants to each Secured Creditor and any Encumbrances relating to the Claims of such Secured Creditors shall be forever discharged upon receipt of such payments;

(e) concurrently:

(i) the Applicants shall issue to all Convenience Creditors, Class B Converting Creditors, and Common Share Converting Creditors the distributions to which they are entitled hereunder in full and final compromise and satisfaction of their Claims (subject to such additional issuances of Class B

Preferred Shares, if any, upon the satisfaction of any Unresolved Claims); and

(ii) the Applicants will deliver to the Monitor, in trust, the Unresolved Claims Reserve and the Administration Reserve in accordance with Article 5 hereof;

(f) all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred in accordance with the Plan, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.10 hereof; and

(g) all Equity Interests, which, for greater certainty, does not include any of the Common Shares (including the Existing Shares and the Common Shares to be issued pursuant to the Plan), the Class A Preferred Shares, or the Class B Preferred Shares, shall be cancelled and extinguished and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any liability, payment or other compensation in respect thereof.

The failure of the Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

4.2 **Corporate Approvals**

The execution, delivery, implementation, and consummation of all matters contemplated under the Plan involving corporate action of the Applicants, including the Restructuring Steps, will be authorized and approved under the Plan and by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

ARTICLE 5
UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE

5.1 **Unresolved Claims Reserve and Administration Reserve**

(1) At the Effective Time in accordance with Section 4.1 hereof, the Applicants will deliver to the Monitor consideration sufficient to:

(a) provide each holder of an Unresolved Claim with the *pro rata* amount of Class B Preferred Shares to which they would be entitled under the Plan if such Unresolved Claims (or certain portions thereof) are determined to be Proven Claims in accordance with the Claims Procedure Order (the "**Unresolved Claims Reserve**"); and

(b) pay the fees and expenses of the Applicants' counsel, the Monitor, and the Monitor's counsel in administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing such other activities as may be required after the Effective Time in the amount approved by the Court in the Sanction Order (the "**Administration Reserve**").

(2) For greater certainty, the Unresolved Claims Reserve shall only include the amount of Class B Preferred Shares required under Section 5.1(1)(a) and shall not include any New Common Shares or cash consideration. Creditors with Unresolved Claims whose Claims are determined to be Proven Claims in accordance with the Claims Procedure Order shall be deemed Class B Converting Creditors and shall only be entitled to receive a *pro rata* amount of Class B Preferred Shares in accordance with Section 3.6. Such Creditors shall not be entitled to select the Convenience Amount Option or the Common Share Conversion Option.

(3) The Monitor will hold the Unresolved Claims Reserve and the Administration Reserve in trust for those entitled under the Plan, and will oversee the distribution of shares from the Unresolved Claims Reserve by the Applicants in accordance with the provisions of Section 0.

(4) The Applicants' counsel, the Monitor, and the Monitor's counsel shall be entitled to payment from the Administration Reserve of their fees and expenses in connection with administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing any other work required after the Effective Time. Any amount remaining in the Administration Reserve after completion of such work will be released by the Monitor to the Applicants.

ARTICLE 6
PROVISIONS REGARDING DISTRIBUTIONS & PAYMENTS

6.1 Distributions Generally

All distributions to Affected Creditors and other payments to be effected pursuant to the Plan will be made pursuant to this Article 6. For greater certainty, all payments and distributions pursuant to this Article 6 will be subject to satisfaction or waiver of the conditions specified in Article 9 hereof and the occurrence of the Effective Time and will occur in accordance with the timing set out in Section 4.1 hereof.

6.2 De Minimis Proven Claim Amount for Distribution

Notwithstanding anything contained in the Plan, Affected Creditors with Proven Claims in the amount of $50 or less shall not receive any distribution hereunder and such Proven Claims will be forever released and extinguished.

6.3 Convenience Amount Option

On the Plan Implementation Date, with the oversight and assistance from the Monitor, the Applicants shall pay each Convenience Creditor the lesser of $1,000 and the quantum of each

Convenience Creditor's Proven Claim, by way of direct deposit, wire transfer, or cheque sent by prepaid ordinary mail to the address set forth on such Convenience Creditor's Proof of Claim.

For greater certainty, each Convenience Creditor shall bear the all wire transfer fees in respect of their distribution hereunder.

6.4 **<u>Class B Preferred Shares Conversion Option</u>**

On the Plan Implementation Date, with the oversight of and assistance from the Monitor, the Applicants shall issue each Class B Converting Creditor the *pro rata* amount of Class B Preferred Shares to which they are entitled under the Plan in accordance with the terms and conditions described in Section 3.6.

6.5 **<u>Common Share Conversion Option</u>**

On the Plan Implementation Date, with the oversight of and assistance from the Monitor, the Applicants shall issue each Common Share Converting Creditor the *pro rata* amount of Common Shares to which they are entitled under the Plan at the Common Share Conversion Rate in accordance with the terms and conditions described in Section 3.7.

6.6 **<u>Payments of Unaffected Claims</u>**

In accordance with and at the time specified in Section 4.1 hereof (which for greater certainty is prior to payment of any distributions to Affected Creditors), the Applicants will make the following payments from by wire transfer of immediately available funds in full satisfaction and discharge of the following:

(a) payment to the DIP Lender of all amounts required to satisfy all obligations and liabilities of the Applicants to the DIP Lender under the DIP Facility Agreement;

(b) payment in full of all of the remaining CCAA Charges;

(c) payment to each holder of a CCAA Priority Payment Claim of all amounts required to satisfy such holder's CCAA Priority Payment Claim in full; and

(d) payment to the Secured Creditors all amounts required to satisfy the Secured Claims in full.

For greater certainty, each holder of an Unaffected Claim shall bear all wire transfer fees in respect of their distribution hereunder.

6.7 **<u>Distributions in Respect of Unresolved Claims</u>**

The Monitor will hold the Unresolved Claims Reserve in trust (as may be reduced from time to time as Unresolved Claims are ultimately disallowed in whole or in part) for the Applicants until the final determination of all Unresolved Claims in accordance with the Claims Procedure Order.

To the extent that an Unresolved Claim becomes a Proven Claim, the Applicants, with oversight of and assistance from the Monitor, will distribute to the holder thereof the amount of Class B Preferred Shares to which such Creditor would have been entitled to receive in respect of its Proven Claim on the Distribution Date had such Unresolved Claim been a Proven Claim on the Distribution Date.

After all Unresolved Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to Proven Claims, the Applicants, with oversight of and assistance from the Monitor, will deliver any remaining Class B Preferred Shares in the Unresolved Claims Reserve that were not required to be distributed hereunder to the Class B Converting Creditors *pro rata* in accordance with the terms and conditions described in Section 3.6.

6.8 **Treatment of Unclaimed Distributions**

If any distribution to an Affected Creditor under this Article 6 is returned as undeliverable (an "**Undeliverable Distribution**"), then neither the Applicants nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the Applicants and Monitor are notified in writing by such Creditor of such Creditor's current address at which time all such distributions will be made to such Creditor. The obligations of the Applicants and Monitor to an Affected Creditor with an Undeliverable Distribution will expire on the Business Day that is 6 months after the applicable Distribution Date for the Undeliverable Distribution, after which date any entitlement with respect to any Undeliverable Distributions will be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary. For greater clarity, nothing herein will require the Applicants or the Monitor to attempt to locate any Creditor or other Person with respect to an Undeliverable Distribution. No interest will be payable in respect of an Undeliverable Distribution. On the the Business Day that is 6 months after the applicable Distribution Date for the Undeliverable Distribution, the amount of the Undeliverable Distribution will be released to the Applicants.

If any cheque in payment of a distribution to an Affected Creditor under this Article 6 is not cashed within 6 months after the applicable Distribution Date (an "**Uncashed Distribution**"): (i) such cheque may be cancelled by the Applicants, after which date any entitlement with respect to such distributions will be forever discharged and forever barred and the obligations of the Applicants and Monitor with respect thereto will expire, without any compensation therefor, notwithstanding any Applicable Laws to the contrary; and (ii) the amount otherwise payable pursuant to such cancelled cheque will be released to the Applicants. For greater clarity, nothing herein will require the Applicants or the Monitor to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

6.9 **Withholding Rights**

The Applicants and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person 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. 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 will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Applicants will deduct from any distribution to a Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the Applicants on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Applicants of information satisfactory to it (in its sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Applicants or any other Person deducts or withholds amounts pursuant to this Section 6.8. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

6.10 **Cancellation of Certificates and Notes, etc.**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

6.11 **Calculations**

All amounts to be paid by the Applicants hereunder will be calculated by the Applicants, with the assistance of the Monitor. All calculations made by the Applicants will be conclusive, final and binding upon the Affected Creditors, the Applicants, and all other Persons, absent manifest error.

6.12 **Currency Matters**

Distributions to Affected Creditors with Proven Claims will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Procedure Order.

The Applicants are hereby authorized to effect such exchange(s) of currency between Canadian dollars and U.S. dollars (or other foreign currencies) as may be necessary to effect payments of Unaffected Claims contemplated in Section 6.6 of the Plan, unless the Applicants and the holders of such Unaffected Claims have otherwise agreed to use a different methodology for converting or exchanging currency in respect of such Unaffected Claims.

ARTICLE 7
RELEASES

7.1 Plan Releases

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, (i) the Applicants, the Applicants' employees, contractors, agents and advisors (including legal counsel) and their Directors; and (ii) the Monitor and the Monitor's counsel, and each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i) or (ii) of this Section 7.1, in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties")** shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity, or rights of subrogation, which any Person may be entitled to assert, whether or not reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, or following the Plan Implementation Date up to the termination of the CCAA Proceeding that relate to matters relating to implementing the Plan, on or following the Plan Implementation Date, or that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, any D&O Claims and any indemnification obligations with respect thereto, the business and affairs of the Applicants whenever or however conducted, the administration and/or management of the Applicants, the Plan or the CCAA Proceeding, or any document, instrument, matter or transaction involving any of the Applicants taking place in connection with the Plan (referred to collectively as the "**Released Claims"),** and all Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that the following shall not constitute Released Claims and nothing herein will waive, discharge, release, cancel or bar:

(i) any Unaffected Claim;

(ii) the Applicants of or from any of their obligations under the Plan, under any Order, or under any document delivered by the Applicants on the Plan Implementation Date pursuant to the Plan; or

(iii) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

7.2 **Injunctions**

From and after the Effective Time as set out in Section 4.1 hereof all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (i) 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 of the Released Parties; (ii) 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 property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, application, 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; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

7.3 **Knowledge of Claims**

Each Person to which Section 7.1 hereof applies shall be deemed to have granted the releases set forth in Section 7.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those claims including Claims or causes of action known or suspected to exist at the time of the granting of the release.

ARTICLE 8
COURT SANCTION

8.1 **Application for Sanction Order**

If the Plan is approved by the Required Majority of Affected Creditors, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

8.2 **Sanction Order**

The Sanction Order will, among other things:

(a) declare that (i) the Plan has been approved by the Required Majority of the Affected Creditors in accordance with the CCAA; (ii) the activities of the

Applicants and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) neither the Applicants nor the Monitor have done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated in connection therewith are fair and reasonable, and are sanctioned and approved by the Court pursuant to section 6 of the CCAA and shall be binding and effective as set out herein;

(b) declare that the Plan, subject to the terms and conditions herein, including the Plan Implementation Conditions described in Section 9.1 and all associated steps, compromises, transactions, arrangements, releases and recapitalizations effected thereby are sanctioned and approved, and at the Effective Time as set out in Section 4.1 hereof will be binding and effective upon and with respect to the Applicants, all Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan or the Sanction Order;

(c) approve and authorize the Restructuring Steps;

(d) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, compromise, discharge and release the Applicants from any and all Affected Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicants in respect of or relating to any Affected Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims (to the extent they become Proven Claims);

(e) as of the Effective Time and in accordance with the sequences of steps set out in Section 4.1 hereof, compromise, discharge, and release the Released Parties from any and all Released Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties, or any of them, in respect of or relating to any Released Claim will be forever discharged and restrained, and all proceedings with respect to, in connection with, or relating to such Released Claims be permanently stayed;

(f) as of the Effective Time as set out in Section 4.1 hereof, bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Released Claims and any matter which is released pursuant to Article 7 hereof;

(g) declare that any Affected Claim that is not a Proven Claim or Unresolved Claim is forever barred and extinguished;

(h) declare that any Claim for which a proof of claim has not been filed by the applicable Claims Bar Date in accordance with the Claims Procedure Order is forever barred and extinguished and order the release of all such Claims;

(i) authorize the Applicants and the Monitor to perform their respective obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;

(j) declare that each of the CCAA Charges will be terminated, discharged, expunged and released upon receipt by the Applicants of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby;

(k) declare that, notwithstanding: (i) the pendency of the CCAA Proceeding; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Applicants and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Applicants, the transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants or their assets and will not be void or voidable by creditors of the Applicants, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

(l) declare that, subject to the performance by the Applicants of their obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Applicants, or any of them, are a party and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and the related provisions of the CCAA will be and remain in full force and effect, unamended as of the Effective Time as set out in Section 4.1 hereof, and no Person who is a party to any such contractual arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

   (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Applicants);

   (ii) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;

(iii) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; or

(iv) any change in the control of the Applicants arising from the implementation of the Plan;

(m) declare that the stay of proceedings under the Initial Order continues until the Effective Time;

(n) approve the conduct of the Directors of the Applicants during the CCAA Proceeding;

(o) approve all conduct of EY in relation to the Applicants and bar all claims against it arising from or relating to the services provided to the Applicants up to and including the date of the Sanction Order, including any services provided by EY to the Applicants prior to the Filing Date;

(p) declare that the Applicants and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or in relation to the Plan or the implementation thereof; and

(q) approve the Unresolved Claims Reserve and Administration Reserve amounts.

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

(1) The Plan is subject to the satisfaction of the following conditions (the "**Plan Implementation Conditions**"):

(a) the Plan must be approved by the Required Majority of the Affected Creditors of the Applicants;

(b) the Sanction Order must be granted by the Court, consistent with the terms of Section 8.2;

(c) the existing unanimous shareholders agreement of AgMedica dated July 5, 2017, as amended shall be deemed to be terminated pursuant to the Sanction Order;

(d) AgMedica shall file articles of amendment to: (i) restate the rights, privileges, restrictions and conditions attaching to the Common Shares; (ii) create the Class A Preferred Shares; (iii) create the Class B Preferred Shares; and (iv) delete the existing Class "A" Preference shares of AgMedica;

(e) all required approvals of the Plan and the Recapitalization Transaction, if any, by Health Canada will have been obtained by the Applicants, with the assistance of the Monitor;

(f) all applicable appeal periods in respect of the Sanction Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellant tribunal;

(g) the Offering and all other agreements required pursuant thereto will have been executed, delivered, and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(h) the Secured Exit Facility Agreement and all other agreements required pursuant thereto will have been executed, delivered, and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(i) each of the conditions precedent to the closing of the Offering and the Secured Exit Facility Agreement will have been satisfied or waived in accordance with the terms therein;

(j) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicants and the Monitor, are necessary to implement the provisions of the Plan or the Sanction Order; and

(k) no action or proceeding will be pending by any third party to enjoin or prohibit the Recapitalization Transaction.

9.2 Plan Implementation Date

Upon satisfaction of the Plan Implementation Conditions, the Applicants will proceed to implement the Plan. In consultation with the Monitor, the Applicants will designate the Plan Implementation Date and will implement the Plan on that date in accordance with the terms and conditions hereof.

9.3 Monitor's Certificate – Plan Implementation

As soon as practicable after of the Effective Time, the Monitor will serve on the service list in the CCAA Proceeding and post on the Monitor's Website a certificate confirming that the Plan Implementation Date has occurred and will file such certificate with the Court as soon as practicable after it has been delivered.

ARTICLE 10
GENERAL

10.1 Binding Effect

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, the Plan will become effective and binding on and enure to the benefit of the Applicants, the Stakeholders, the Released Parties, the Affected Creditors and any other Person named or referred to in or subject to the Plan and their respective heirs, executors, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time:

(a) the treatment of Affected Claims and Released Claims under the Plan will be final and binding for all purposes upon and enure to the benefit of the Applicants, the Released Parties, all Affected Creditors and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(b) all Affected Claims will be forever discharged and released, excepting only with respect to any distribution thereon in the manner and to the extent provided for in the Plan;

(c) all Released Claims will be forever discharged, released, enjoined and barred;

(d) each Affected Creditor and each Person holding a Released Claim will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and

(e) each Affected Creditor and each Person holding a Released Claim (to the extent that contractual releases have not been executed and delivered by such Person) will be deemed to have:

(i) executed and delivered to the Applicants and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(ii) waived any default by or rescinded any demand for payment against the Applicants that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively; and

(iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively, as at the moment before the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

10.2 **Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.3 **Modification of the Plan**

The Applicants reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of Claims subject to the Claims Procedure Order), provided that any such amendment, restatement, modification or supplement is on terms satisfactory to the Monitor and must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meeting, communicated to the Affected Creditors in the manner contemplated by the Meeting Order; and (ii) if made following the Meeting, approved by the Court and following notice to the Affected Creditors.

Notwithstanding Section 0, after the Meeting, the Applicants may amend, restate, modify and/or supplement the Plan with the consent of the Monitor, without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court, (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Affected Creditors, (iii) does not materially decrease the anticipated recovery of Affected Creditors under the Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor, and (iv) does not amend the Plan Implementation Conditions (including any provision of the Plan that is the subject of such conditions) without the consent of the party or parties for whose benefit the conditions exist.

Notwithstanding Sections 0 and 0, any amendment, restatement, modification or supplement to the Plan may be made by the Applicants at any time and from time to time, provided that it is made with the consent of the Monitor and: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors.

Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

(a) the Plan or the Sanction Order; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

10.5 **Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants and with the consent of the Monitor, following consultation with the Stakeholders, will have the power to either

(a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 **Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Applicants. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any other Order made in the CCAA Proceeding. EY will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Applicants to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of EY. The Monitor in its personal capacity will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

10.7 **Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.8 **Notices**

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or e-mail addressed to the respective parties as follows:

If to the Applicants:

AgMedica Bioscience Inc.
3111 Heritage Road, Suite 200
Chatham-Kent, Ontario
N7M 5W7

Attention: Trevor Henry, Chief Executive Officer
e-mail: thenry@agmedica.ca

With copies to (which will not constitute notice)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
Toronto, Ontario Canada
M5K 1K7

Attention Rebecca Kennedy and Adam Driedger
e-mail: rkennedy@tgf.ca; adriedger@tgf.ca

If to an Affected Creditor:

To the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the Applicants or the Monitor;

If to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto, Ontario, Canada
M5H 0B3

Attention: Alex Morrison and Karen Fung
e-mail: alex.f.morrison@ca.ey.com; karen.l.fung@ca.ey.com

With copies to (which will not constitute notice)

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto, Ontario Canada
M5K 1E6

Attention: James Gage and Trevor Courtis
e-mail: jgage@mccarthy.ca; tcourtis@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Applicants or the Monitor, by posting notice of such address change on the Monitor's website (www.ey.com/ca/agmedica). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

10.9 **Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan or any other events or transactions contemplated herein, notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

10.10 **Language**

The Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

10.11 **Acts to Occur on Next Business Day**

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

10.12 **Non-Consummation of the Plan**

If the Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the Plan and no act taken in preparation for the implementation of the Plan will (a) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicants or any other Person; (b) prejudice the rights of the Applicants or any other Person in any further proceeding involving the Applicants; or (c) constitute an admission of any sort by the Applicants or any Person.

DATED as of the 29th day of July, 2020.

APPENDIX “B”

COMPARISON OF AMENDED PLAN

~~Confidential and Without Prejudice~~

Court File No. CV-19-00632052-00CL

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 **AGMEDICA BIOSCIENCE INC. 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**
(each an **"Applicant"** and collectively, the **"Applicants"**)

PLAN OF COMPROMISE AND ARRANGEMENT
pursuant to the *Companies' Creditors Arrangement Act*
affecting and involving the Applicants

~~July 29~~August 22, 2020

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PLAN OF COMPROMISE AND ARRANGEMENT

This is the plan of compromise and arrangement of the Applicants pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan:

"**Administration Reserve**" is defined in Section 5.1.

"**Affected Claims**" means the Claims of Affected Creditors.

"**Affected Creditor**" means all Creditors that are not Unaffected Creditors.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"**AgMedica**" means AgMedica Bioscience Inc.

"**Applicable Law**" means:

(i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and

(ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

"**Applicant**" means any of the Applicants referred to individually.

"**Applicants**" means AgMedica Bioscience Inc., 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavitat Naturals Inc., Worldwide Beverage Innovations Inc., Unique Beverages (USA) Inc., and Eseela Inc.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Business**" means the business conducted by the Applicants, consisting primarily of the production, distribution, and sale of dried cannabis flower, pre-rolled cannabis joints, cannabis softgel capsules, and cannabis oil, and the related marketing and sale thereof and other related business operations ancillary thereto.

"**Business Day**" means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Charges**" means all court-ordered charges created by the Initial Order or subsequent orders in the CCAA Proceeding, including the charge in favour of the DIP Lender.

"**CCAA Priority Payment Claims**" means claims for amounts required to be paid by sections 6(3), (5) and (6) of the CCAA.

"**CCAA Proceeding**" means the proceeding under the CCAA bearing Court File No. CV-19-00632052-00CL in respect of or relating to the Applicants, commenced pursuant the Initial Order.

"**Claim**" means

(i) any Pre-Filing Claim;

(ii) any Restructuring Claim;

(iii) any D&O Claim;

(iv) any Equity Claim;

(v) any CCAA Priority Payment Claims; and

(vi) any Secured Claim.

provided, however, that "Claim" will not include any investigation, action, suit, order or proceeding in respect of the Applicants by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a "claim" within the meaning of the CCAA. And provided that in any case "Claim" shall not include an Unaffected Claim;

"**Claims Procedure Order**" means the Claims Procedure Order granted by Mr. Justice McEwen in the CCAA Proceeding dated February 4, 2020.

"**Class A Preferred Shares**" means the 400,000,000 Class A Preferred Shares of AgMedica that AgMedica shall issue to the Equity Subscribers pursuant to the Offering.

"**Class B Converting Creditor**" means all Affected Creditors with Proven Claims exceeding $1,000 that select or are deemed to have selected the Class B Preferred Share Conversion Option (which includes a Common Share Converting Creditor who is owed additional amounts following the issuance of the Common Shares pursuant to the Plan).

"**Class B Preferred Share Conversion Option**" is defined in Section 3.6.

"**Class B Preferred Shares**" means the 5,000,000 Class B Preferred Shares of AgMedica that AgMedica shall issue to the Class B Converting Creditors pursuant to the Plan.

"**Common Share Conversion Option**" is defined in Section 3.7.

"**Common Share Converting Creditor**" means all Affected Creditors with Proven Claims exceeding $1,000 that select the Common Share Conversion Option.

"**Common Shares**" means the common shares in the capital of AgMedica that are duly issued and outstanding at any time.

"**Convenience Amount Option**" is defined in Section 3.5.

"**Convenience Creditor**" means all Affected Creditors with Proven Claims in the amount of $1,000 or less, and all Affected Creditors with Proven Claims exceeding $1,000 who select the Convenience Amount Option by filing an Election Notice.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Creditor**" means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

"**D&O Claim**" as defined in the Claims Procedure Order, means any right or claim of any Person against one or more of the Directors of one or more of the Applicants or any of them, howsoever arising whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors with respect to any matter, action, cause or chose in action, however arising and whether:

(a) based in whole or in part on facts that existed prior to the Filing Date, (B) relating to a time period prior to the Filing Date, or (C) it is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date (a "**D&O Pre-Filing Claim**"); or

(b) based on facts that arose in connection with the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation, whether written or oral (a "**D&O Restructuring Claim**"),

in each case for which the Directors are alleged to be, by statute or otherwise by law or equity, liable to pay in their capacity as Directors.

"**DIP Facility**" means the debtor-in-possession super priority non-revolving credit facility in the maximum principal amount of $7,500,000 provided by the DIP Lender to the Applicants pursuant to the DIP Facility Agreement and the Initial Order.

"**DIP Facility Agreement**" means the agreement entered into between the DIP Lender and the Applicants dated December 20, 2019, pursuant to which the DIP Lender agreed to provide the Applicants with the DIP Facility, subject to the terms and conditions of the DIP Facility Agreement and the Initial Order.

"**DIP Lender**" means SF V Bridge III, LP.

"**Director**" means any Person who, as at the Effective Time, is a former or present director or officer of the Applicants, or any of them, or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of any of the Applicants or who currently manages or supervises the management of the business and affairs of any of the Applicants or did so in the past.

"**Distribution Date or Dates**" means the Business Day or Business Days upon which distributions are made by the Applicants to the Affected Creditors in accordance with the provisions of the Plan.

"**Effective Time**" means such time on the Plan Implementation Date as the Applicants may determine.

"**Election Notice**" means a duly and timely filed election in the prescribed form to be provided by the Applicants to Affected Creditors pursuant to which an Affected Creditor with a Proven Claim exceeding $1,000 may elect to receive payment of $1,000 as a Convenience Creditor in full satisfaction of such Proven Claim pursuant to Sections 3.5 and 6.3, subject to the terms and implementation of the Plan.

"**Employees**" means all individuals currently or formerly employed by the Applicants, or any of them, immediately prior to the Effective Time, whether on a full-time, part-time, salaried, or hourly basis, including current employees on long-term disability or any other leave of absence, which, for greater certainty, does not include contractors.

"**Encumbrance**" means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Applicants own or control or to which the Applicants are entitled or that secures payment or performance of an obligation, or similar charge of any kind.

"**Equity Claim**" as defined in the Claims Procedure Order, means a Claim that constitutes an "equity claim" as that term is defined in section 2(1) of the CCAA.

"**Equity Interests**" has the meaning ascribed thereto in section 2(1) of the CCAA and includes, any stock options that have not yet been exercised in respect of the Common Shares, and any other interest in or entitlement to shares in the capital of the Company, but, for greater certainty, does not include any of the Common Shares (including the Existing Shares and any Common Shares to be issued pursuant to the Plan), the Class A Preferred Shares, or the Class B Preferred Shares.

"**Equity Subscribers**" means investors who have entered into Equity Subscription Agreements as part of the Offering.

"**Equity Subscription Agreements**" means the agreements by which the Equity Subscribers subscribe for an aggregate of ~~up to~~ $4,000,000 of Class A Preferred Shares at a price per share of $0.01 pursuant to the Offering.

"**Equity Subscription Amount**" means the amount payable by any Equity Subscriber to the Applicants pursuant to the Equity Subscription Agreement.

"**Existing Shares**" means all of the Common Shares that are issued and outstanding immediately prior to the Effective Time, subject to any adjustment as provided for in this Plan.

"**EY**" means Ernst & Young Inc. in respect of the services it provided to any Applicant before and after the Filing Date in its capacity as Monitor, and includes Ernst & Young LLP and any of its affiliates, partners, officers, directors, employees, agents, subcontractors, and legal counsel.

"**Filing Date**" means December 2, 2019.

"**Free Cash Flow**" means the sum of:

(a) AgMedica's consolidated net income (that is attributable to AgMedica) after tax, before the free cash flow sweep;

plus/minus

(b) All of AgMedica's non-cash charges or credits (i.e., depreciation, deferred tax, etc.) included in the calculation of "(a)" above;

plus/minus

(c) The changes in AgMedica's working capital in the year;

less

(d) The capital expenditures (including, without limitation, capital expenditures relating to expansion and maintenance) incurred in the course of AgMedica's Business in the year.

less

(e) Mandatory debt principal payments.

"**Governmental Authority**" means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

"**Initial Order**" means the order obtained from the Court on the Filing Date commencing the CCAA Proceeding, as amended and/or amended and restated from time to time.

"**Insured Claims**" is defined in Section 2.3(d).

"**Intercompany Claims**" means the Claims of any Applicant in respect of, or relating to, any of the other Applicants.

"**Meeting**" means a meeting of the Affected Creditors to consider and vote on the Plan, to be held pursuant to the Meeting Order.

"**Meeting Order**" means an order of the Court in the CCAA Proceeding directing the calling and holding of one or more Meetings of Affected Creditors to consider and vote on the Plan.

"**Monitor**" means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further order of the Court.

"**Offering**" is defined under "Recapitalization Transaction".

"**Order**" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

"**Person**" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

"**Plan**" means this Plan of Compromise and Arrangement pursuant to the CCAA concerning, affecting and involving the Applicants, including all Schedules hereto.

"**Plan Implementation Conditions**" is defined in Section 9.1.

"**Plan Implementation Date**" means the Business Day on which the Plan becomes effective, which, for greater certainty, shall be the Business Day designated by the Applicants in consultation with the Monitor pursuant to Section 9.2 and as reflected in the certificate contemplated in Section 9.3.

"**Pre-Filing Claim**" as defined in the Claims Procedure Order, means any right of claim of any Person against any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever in existence at the time of the Initial Order, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Applicants which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, including for greater certainty any claim against any of the Applicants for indemnification by any Directors in respect of a D&O Pre-Filing Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order).

"**Post-Filing Claim**" means any Claim arising after the Filing Date that is not a Restructuring Claim or a D&O Restructuring Claim, including, without limitation, any Claims for goods and services provided to the Applicants, or any of them, after the Filing Date.

"**Proof of Claim**" means a proof of claim filed in accordance with the Claims Procedure Order.

"**Proven Claim**" means a Claim (or the portion thereof) that has been finally determined in accordance with the Claims Procedure Order or any other Order: (i) in the case of an Affected Claim, for voting and distribution purposes hereunder; and (ii) in the case of any Unaffected Claim, for the purposes of any treatment thereof contemplated by the Plan.

"**Recapitalization Term Sheet**" means the Term Sheet summarizing the key terms of the Recapitalization Transaction.

"**Recapitalization Transaction**" means the two-step transaction pursuant to which:

(a) AgMedica shall issue 400,000,000 Class A Preferred Shares to the Equity Subscribers at a price of $0.01 per share in order to raise the aggregate amount of $4,000,000 (the "**Offering**"), the proceeds of which shall be used to fund the Plan and the Applicants' working capital requirements following the Plan Implementation Date; and

(b) ~~The~~the Applicants shall execute a secured debt facility agreement (the "**Secured Exit Facility Agreement**") with AgriRoots Capital Management Inc. ("**AgriRoots**"), pursuant to which AgriRoots shall provide the Applicants with a secured credit facility in the maximum principal amount of $10,000,000 (the "**Secured Exit Facility**"), subject to the terms of the Secured Exit Facility Agreement, which shall be used to repay a portion of the Secured Claims and fund the Applicants' working capital requirements after the Plan Implementation Date.

"**Released Claims**" is defined in Section 7.1.

“**Released Parties**” is defined in Section 7.1.

“**Representatives**” means, in relation to a Person, such Person’s current and former directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

“**Required Majority**” means a majority in the number of Affected Creditors representing at least two-thirds of the value of the aggregate amount of all Proven Claims held by the Affected Creditors that are present and voting, either in person or by proxy, at the Meeting in accordance with section 6(1) of the CCAA.

“**Restructuring Claim**” as defined in the Claims Procedure Order, means any right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation whether written or oral, including for greater certainty any claim against any of the Applicants for indemnification by any Directors in respect of a D&O Restructuring Claim (but excluding any such claim for indemnification that is covered by the CCAA Charge in favour of the Directors).

“**Restructuring Steps**” is defined in Section 4.1.

“**Sanction Order**” means the Order of the Court in the CCAA Proceeding sanctioning and approving the Plan pursuant to section 6(1) of the CCAA, which shall include such terms as may be necessary or appropriate to give effect to the Plan.

“**Secured Claims**” as defined in the Claims Procedure Order, means Claims or any portions thereof that are: (i) secured by security validly charging or encumbering property or assets of the Applicants (including statutory and possessory liens that create security interests) up to the value of such collateral; and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date.

“**Secured Exit Facility**” is defined under “Recapitalization Transaction”.

“**Secured Exit Facility Agreement**” is defined under “Recapitalization Transaction”.

“**Unaffected Claim**” is defined in Section 2.3.

“**Unaffected Creditor**” means a Creditor with an Unaffected Claim.

“**Uncashed Distribution**” is defined in Section 6.9(2).

“**Undeliverable Distribution**” is defined in Section 6.9(1).

“**Unresolved Claim**” means an Affected Claim (or the portion thereof) that at the relevant time is not a Proven Claim and is not barred pursuant to the Claims Procedure Order, but in respect of which a Proof of Claim has been filed in a proper and timely manner or a notice of claim delivered by the Applicants or the Monitor, in each case in accordance with the Claims Procedure Order.

"**Unresolved Claims Reserve**" is defined in Section 5.1.

1.2 **Certain Rules of Interpretation**

For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;

(b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;

(c) unless otherwise specified, all references to currency are in Canadian dollars;

(d) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;

(e) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

(f) the words "includes" and "including" and similar terms of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;

(g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;

(h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(j) references to a specified "article" or "section" will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions will be deemed to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto; and

(k) references to "Affected Creditor" or "Unaffected Creditor" refer to Creditors of the Applicants in such capacity.

1.3 **Successors and Assigns**

The Plan will be binding upon and enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of any Person named or referred to in or subject to the Plan.

1.4 **Governing Law and Jurisdiction**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions will be subject to the exclusive jurisdiction of the Court.

1.5 **Claims Made in Currency Other than Canadian Dollars**

All Affected Claims that are made in a currency other than Canadian Dollars shall be converted to Canadian Dollars for both voting and distribution purposes, using the Bank of Canada's average exchange rate as at the Filing Date for the purchase of Canadian Dollars.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purposes of the Plan are to:

(a) complete a restructuring and recapitalization of the Applicants by, among other things, effecting the Recapitalization Transaction, which will provide the Applicants with a stronger financial foundation and sufficient working capital to emerge from the CCAA Proceeding;

(b) provide for a compromise of, and consideration for, all Affected Claims that are Proven Claims by providing to holders of all Affected Claims that are Proven Claims a distribution in accordance with one of the three distribution options described in Section 3 and 6 below;

(c) effect a release and discharge of all Affected Claims and Released Claims;

(d) ensure the Applicants and their Business continue as a going concern, having addressed their liquidity issues, with the expectation that all Affected Creditors will derive a greater benefit from implementation of the Plan than they would derive from a bankruptcy or liquidation of the Applicants; and

(e) permit the Applicants to exit the CCAA Proceeding after obtaining an Order of the Court terminating the CCAA Proceeding after the Plan Implementation Date.

2.2 Affected Claims and Released Claims

The Plan provides for a compromise with Affected Creditors and a full, final and irrevocable release and discharge of the Affected Claims and the Released Claims. The Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the Applicants, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

2.3 Unaffected Claims

Subject to the express provisions hereof providing for the payment of certain Unaffected Claims, the Plan does not affect or compromise the following (collectively, the "**Unaffected Claims**"):

(a) Claims secured by the CCAA Charges;

(b) Secured Claims that are accepted as or determined to be Proven Claims pursuant to the Claims Procedure Order as Secured Claims;

(c) CCAA Priority Payment Claims;

(d) Subject to Section 3.10 hereof, that portion of a Claim arising from a cause of action for which the Applicants are covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the Applicants, provided, however, that the claimant in respect of such a Claim shall be solely responsible for any deductible in connection therewith ("**Insured Claims**");

(e) Claims by any Director under any directors' or officers' indemnity policy or agreement with the Applicants, or any of them, to the extent not otherwise covered by the CCAA Charges;

(f) Claims by EY or counsel to the Applicants, to the extent not otherwise covered by the CCAA Charges;

(g) Post-Filing Claims; and

(h) Intercompany Claims.

Nothing in the Plan will affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

Nothing herein shall constitute a waiver of any right of either the Monitor or the Applicants to dispute the validity or quantum of any Unaffected Claim.

2.4 Equity Claims

At the Effective Time, the Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the Plan and will not be entitled to vote on the Plan in respect of their Equity Claims. On the Plan Implementation Date all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred without any compensation of any kind whatsoever.

At the Effective Time, all certificates and any other agreements or instruments evidencing Equity Interests will not entitle any holder thereof to any compensation or participation other than as provided in the Plan and shall be irrevocably and forever cancelled and extinguished.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Procedure Order, the Meeting Order, the provisions of the CCAA, the Plan, and any further Order of the Court. For greater certainty, the Claims Procedure Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 **Classification of Creditors**

In accordance with the Meeting Order, Affected Creditors will be placed into a single class for the purposes of considering and voting on the Plan.

3.3 **Creditors' Meeting**

The Meeting will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are those specified in the Meeting Order and any further Order of the Court. The rules developed to govern the Meeting shall, among other things, account for the COVID-19 pandemic.

3.4 **Treatment of Affected Claims**

(2) At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, all Affected Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred subject only to the limited right of Affected Creditors with Proven Claims to receive distributions pursuant to the Plan.

(3) All Affected Creditors with Proven Claims exceeding $1,000 shall have the option to select one of the following three distribution options in full and final satisfaction of their claims by filing an Election Notice in the prescribed form by the prescribed deadline:

   (a) the Convenience Amount Option (see Section 3.5);

   (b) the Class B Preferred Share Conversion Option (see Section 3.6); and

   (c) the Common Share Conversion Option (see Section 3.7).

(4) All Affected Creditors with Proven Claims of $1,000 or less shall be automatically deemed to have selected the Convenience Amount Option and shall be deemed Convenience Creditors.

3.5 **Convenience Amount Option**

Affected Creditors who select, or who are deemed to have selected, the Convenience Amount Option (each, a "**Convenience Creditor**" and collectively, the "**Convenience Creditors**") shall receive the lesser of $1,000 and the quantum of their Proven Claim on the Distribution Date in full and final satisfaction of their Claim.

3.6 **Class B Preferred Share Conversion Option – Default Option**

All Affected Creditors who do not select, or who are not deemed to have selected, either the Convenience Amount Option or the Common Share Conversion Option shall be deemed to have selected the Class B Preferred Share Conversion Option. In addition, pursuant to Section 3.7, any additional amounts owing to the Common Share Converting Creditors following the issuance of the Common Shares pursuant to the Plan shall receive a *pro rata* portion of Class B Preferred Shares in satisfaction of such shortfall.

Affected Creditors who are deemed to have selected the Class B Preferred Share Conversion Option and Affected Creditors who selected the Common Share Conversion Option but are owed additional amounts following the issuance of the Common Shares pursuant to the Plan (each, a "**Class B Converting Creditor**" and collectively, the "**Class B Converting Creditors**") shall be issued a *pro rata* amount of 5,000,000 Class B Preferred Shares in the aggregate face value of $5,000,000 less the amount of any Unresolved Claims on the Plan Implementation Date (the "**Aggregate Face Value**") on the Distribution Date (or such later date in accordance with Section 6.7 in respect of any Unresolved Claim that becomes a Proven Claim, if any) in full and final satisfaction of their Claim. For the purposes of this Section, any fractional number of Class B Preferred Shares to which a Class B Converting Creditor is entitled hereunder shall be rounded down to the nearest whole Class B Preferred Share.

~~Until the~~If any Affected Creditor to be issued Class B Preferred Shares ~~are redeemed by AgMedica, each Class B Converting~~pursuant to this section cannot hold such shares or elects not to hold such shares directly, such Affected Creditor may elect to have such Class B Preferred Shares held by an escrow agent on their behalf by notifying the Applicants and the Monitor in writing two days prior to the Plan Implementation Date.

The Class B Preferred Shares shall be ~~entitled to receive a *pro rata* annual cumulative dividend from~~redeemed by AgMedica on a yearly and pro rata basis at a price of $1.00 per Class B Preferred Share in an aggregate amount equal to 10% of AgMedica's Free Cash Flow during ~~that~~the preceding fiscal year, based on AgMedica's annual financial statements, within sixty (60) days after AgMedica issues such annual financial statements.

~~The Class B Preferred Shares shall become automatically redeemable by AgMedica on the date on which the Aggregate Face Value has been returned~~ For greater certainty, the first such annual redemption that shall occur to the Class B Converting Creditors ~~by way of preferential dividends or the other distributions~~under the Plan will be in respect of ~~capital (~~the ~~"**Automatic Redemption**~~first full fiscal year after the Plan Implementation Date~~")~~.

In addition, AgMedica may, at any time~~ before the Automatic Redemption Date~~, in its sole discretion, redeem the Class B Preferred Shares, in whole or in part, at a redemption price per share equal to~~: (a)~~ $~~5,000,000 less all amounts previously transferred to the Class B Converting Creditors divided by; (b) 5,000,000~~1.00.

The Class B Preferred Shares are non-voting.

In the event of a liquidation or winding up of AgMedica prior to the date on which the Class B Preferred Shares are redeemed by AgMedica, the Class B Converting Creditors shall rank in priority to the holders of Common Shares~~, but behind the Equity Subscribers~~, the holders of the Class A Preferred Shares in accordance with the Recapitalization Transaction, for the purposes of distributing the proceeds derived from the assets of AgMedica.

3.7 **Common Share Conversion Option**

Affected Creditors who select the Common Share Conversion Option (each, a “**Common Share Converting Creditor**” and collectively, the “**Common Share Converting Creditors**”) shall be issued a *pro rata* amount of 61,965,221 Common Shares (the “**Common Share Cap**”) at a conversion rate of \$0.01 per share (the “**Common Share Conversion Rate**”) in the aggregate amount of \$619,652.21 on the Distribution Date ~~in~~up to the full ~~and final satisfaction~~amount of their Proven Claim. The Common Share Cap will represent 10% of the total amount of issued and outstanding Common Shares and Class A Preferred Shares ~~(collectively, the “**Class A Shares**”)~~ on ~~a~~an as converted basis at the Effective Time.

The number of Common Shares issued pursuant to the Plan shall not exceed the Common Share Cap. In the event that the total number of Common Shares to be issued under the Plan to the Common Share Converting Creditors would otherwise exceed the Common Share Cap because the aggregate value of the Common Share Converting Creditors’ Proven Claims exceeds ~~\$~~\$619,652.21, the number of Common Shares to which each such Common Share Converting Creditor is entitled under the Plan shall be reduced on a *pro rata* basis and shall be calculated by taking the product of: (a) 61,965,221; and (b) the quantum of the Proven Claim held by the Common Share Converting Creditor divided by the quantum of the claims held by all Common Share Converting Creditors.

The face value of the Common Shares distributed to a Common Share Converting Creditor pursuant to the Plan shall not exceed the quantum of such Common Share Converting Creditor’s Proven Claim. If the face value of the Common Shares distributed to a Common Share Converting Creditor equals the quantum of such Common Share Converting Creditor’s Proven Claim, such distribution will be in full and final satisfaction of their Proven Claim.

If there are any additional amounts owing to the Common Share Converting Creditors following the issuance of the Common Shares pursuant to the Plan, the Common Share Converting Creditors shall receive a *pro rata* portion of Class B Preferred Shares in satisfaction of such shortfall, and such distribution will be in full and final satisfaction of their Proven Claim.

For the purposes of this Section, any fractional number of Common Shares to which a Common Share Converting Creditor is entitled hereunder shall be rounded down to the nearest whole Common Share.

3.8 **Capital Structure after Recapitalization Transaction and Distributions**

After the execution of the Recapitalization Transaction and the distributions by the Applicants to the Affected Creditors pursuant to the Plan, AgMedica’s *pro forma* capital structure shall be as follows:

(a) Voting Shares:

(i) Existing Common Shares: 157,795,431 (25.4%)

(ii) Class A Preferred Shares: 400,000,000 (64.6%)

(iii) New Common Shares: 61,965,221 (10.0%)

(b) Non-Voting Shares:

(i) Class B Preferred Shares: 5,000,000 (100%)

3.9 **Unaffected Claims**

Unaffected Creditors will not be entitled to vote on the Plan. Unaffected Claims will be paid in accordance with Section 6.6, or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the Applicants.

3.10 **Insured Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Claim will be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable insurance policies, and Persons with any Insured Claims will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. This Section 3.10 may be relied upon by the Applicants and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

3.11 **Unresolved Claims**

No Affected Creditor will be entitled to receive any distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally resolved in the manner set out in the Claims Procedure Order and becomes a Proven Claim entitled to the treatment described in Section 3.4 hereof.

3.12 **Extinguishment of Claims**

At the Effective Time, in accordance with the sequence of steps set out in Section 4.1 hereof and in accordance with the terms of the Plan and Sanction Order, the treatment of Affected Claims (including Unresolved Claims) and Released Claims, in each case as set forth herein, will be final and binding on the Applicants, Affected Creditors and any Person holding a Released Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred and the Applicants will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (i) nothing herein releases the Applicants from the obligation to make distributions or provide entitlements in the manner and to the extent provided for in the Plan; and (ii) such discharge and release of the Applicants will be without prejudice to the right of an Affected Creditor in respect of an Unresolved Claim to prove such Unresolved Claim in accordance with the Claims Procedure Order.

3.13 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan will be entitled to any greater rights as against the Applicants than the Person whose Claim is compromised under the Plan.

3.14 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Applicants will be and are hereby entitled to set-off from any payments or distributions to be made to a Creditor hereunder any amount due and owing to the Applicants from such Creditor.

ARTICLE 4
FINANCING & RESTRUCTURING STEPS

4.1 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur, and be deemed to have occurred, in the order set out below unless otherwise specified in this Section 4.1 and become effective, without any further act or formality (collectively, the "**Restructuring Steps**"):

(a) the Applicants will undertake the two-step Recapitalization Transaction as follows:

   (i) AgMedica shall issue 400,000,000 Class A Preferred Shares to the Equity Subscribers at a price of $0.01 per share in order to raise the aggregate amount of $4,000,000 (the "**Offering**"), the proceeds of which shall be used to fund the Plan and the Applicants' working capital requirements following the Plan Implementation Date; and

   (ii) The Applicants shall execute the Secured Exit Facility Agreement with AgriRoots, pursuant to which AgriRoots shall provide the Applicants with the Secured Exit Facility, subject to the terms of the Secured Exit Facility Agreement, which shall be used to repay a portion of the Secured Claims and fund the Applicants' working capital requirements after the Plan Implementation Date~~.~~;

(b) ~~The~~the Applicants will pay the DIP Lender all amounts required to satisfy all obligations and liabilities of the Applicants to the DIP Lender under the DIP Facility Agreement;

(c) ~~To~~to the extent not already paid, the Applicants will deliver to the Monitor, in trust, the amount required to satisfy the CCAA Charges and the CCAA Priority

Payment Claims in full, which Unaffected Claims will be paid by the Monitor, for and on behalf of the Applicants from such funds within five (5) Business Days of the Plan Implementation Date or with respect to previous employees, five (5) Business Days after the clearance from Employment and Social Development Canada (unless otherwise agreed to between the Applicants and such Unaffected Claim holders);

(d) ~~The~~the Applicants will pay to the Secured Creditors all amounts required to satisfy all obligations and liabilities of the Applicants to each Secured Creditor and any Encumbrances relating to the Claims of such Secured Creditors shall be forever discharged upon receipt of such payments;

(e) ~~Concurrently:~~concurrently:

(i) ~~The~~the Applicants shall issue to all Convenience Creditors, Class B Converting Creditors, and Common Share Converting Creditors the distributions to which they are entitled hereunder in full and final compromise and satisfaction of their Claims (subject to such additional issuances of Class B Preferred Shares, if any, upon the satisfaction of any Unresolved Claims); and

(ii) ~~The~~the Applicants will deliver to the Monitor, in trust, the Unresolved Claims Reserve and the Administration Reserve in accordance with Article 5 hereof;

(f) ~~All~~all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred in accordance with the Plan, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.11 hereof; and

(g) ~~All~~all Equity Interests, which, for greater certainty, does not include any of the Common Shares (including the Existing Shares and the Common Shares to be issued pursuant to the Plan), the Class A Preferred Shares, or the Class B Preferred Shares, shall be cancelled and extinguished and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any liability, payment or other compensation in respect thereof.

The failure of the Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

4.2 **Corporate Approvals**

The execution, delivery, implementation, and consummation of all matters contemplated under the Plan involving corporate action of the Applicants, including the Restructuring Steps, will be authorized and approved under the Plan and by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

ARTICLE 5
UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE

5.1 Unresolved Claims Reserve and Administration Reserve

(5) At the Effective Time in accordance with Section 4.1 hereof, the Applicants will deliver to the Monitor consideration sufficient to:

(a) provide each holder of an Unresolved Claim with the *pro rata* amount of Class B Preferred Shares to which they would be entitled under the Plan if such Unresolved Claims (or certain portions thereof) are determined to be Proven Claims in accordance with the Claims Procedure Order (the "**Unresolved Claims Reserve**"); and

(b) pay the fees and expenses of the Applicants' counsel, the Monitor, and the Monitor's counsel in administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing such other activities as may be required after the Effective Time in the amount approved by the Court in the Sanction Order (the "**Administration Reserve**").

(6) For greater certainty, the Unresolved Claims Reserve shall only include the amount of Class B Preferred Shares required under Section 5.1(1)(a) and shall not include any New Common Shares or cash consideration. Creditors with Unresolved Claims whose Claims are determined to be Proven Claims in accordance with the Claims Procedure Order shall be deemed Class B Converting Creditors and shall only be entitled to receive a *pro rata* amount of Class B Preferred Shares in accordance with Section 3.6. Such Creditors shall not be entitled to select the Convenience Amount Option or the Common Share Conversion Option.

(7) The Monitor will hold the Unresolved Claims Reserve and the Administration Reserve in trust for those entitled under the Plan, and will oversee the distribution of shares from the Unresolved Claims Reserve by the Applicants in accordance with the provisions of Section 6.8.

(8) The Applicants' counsel, the Monitor, and the Monitor's counsel shall be entitled to payment from the Administration Reserve of their fees and expenses in connection with administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing any other work required after the Effective Time. Any amount remaining in the Administration Reserve after completion of such work will be released by the Monitor to the Applicants.

ARTICLE 6
PROVISIONS REGARDING DISTRIBUTIONS & PAYMENTS

6.1 Distributions Generally

All distributions to Affected Creditors and other payments to be effected pursuant to the Plan will be made pursuant to this Article 6. For greater certainty, all payments and distributions pursuant to this Article 6 will be subject to satisfaction or waiver of the conditions specified in Article 9 hereof and the occurrence of the Effective Time and will occur in accordance with the timing set out in Section 4.1 hereof.

6.2 De Minimis Proven Claim Amount for Distribution

Notwithstanding anything contained in the Plan, Affected Creditors with Proven Claims in the amount of $50 or less shall not receive any distribution hereunder and such Proven Claims will be forever released and extinguished.

6.3 Convenience Amount Option

On the Plan Implementation Date, with the oversight and assistance from the Monitor, the Applicants shall pay each Convenience Creditor the lesser of $1,000 and the quantum of each Convenience Creditor's Proven Claim, by way of direct deposit, wire transfer, or cheque sent by prepaid ordinary mail to the address set forth on such Convenience Creditor's Proof of Claim.

For greater certainty, each Convenience Creditor shall bear the all wire transfer fees in respect of their distribution hereunder.

6.4 Class B Preferred Shares Conversion Option

On the Plan Implementation Date, with the oversight of and assistance from the Monitor, the Applicants shall issue each Class B Converting Creditor the *pro rata* amount of Class B Preferred Shares to which they are entitled under the Plan in accordance with the terms and conditions described in Section 3.6.

6.5 Common Share Conversion Option

On the Plan Implementation Date, with the oversight of and assistance from the Monitor, the Applicants shall issue each Common Share Converting Creditor the *pro rata* amount of Common Shares to which they are entitled under the Plan at the Common Share Conversion Rate in accordance with the terms and conditions described in Section 3.7.

6.6 Payments of Unaffected Claims

In accordance with and at the time specified in Section 4.1 hereof (which for greater certainty is prior to payment of any distributions to Affected Creditors), the Applicants will make the following payments from by wire transfer of immediately available funds in full satisfaction and discharge of the following:

(a) payment to the DIP Lender of all amounts required to satisfy all obligations and liabilities of the Applicants to the DIP Lender under the DIP Facility Agreement;

(b) payment in full of all of the remaining CCAA Charges;

(c) payment to each holder of a CCAA Priority Payment Claim of all amounts required to satisfy such holder's CCAA Priority Payment Claim in full; and

(d) payment to the Secured Creditors all amounts required to satisfy the Secured Claims in full.

For greater certainty, each holder of an Unaffected Claim shall bear all wire transfer fees in respect of their distribution hereunder.

6.7 **<u>Distributions in Respect of Unresolved Claims</u>**

The Monitor will hold the Unresolved Claims Reserve in trust (as may be reduced from time to time as Unresolved Claims are ultimately disallowed in whole or in part) for the Applicants until the final determination of all Unresolved Claims in accordance with the Claims Procedure Order.

To the extent that an Unresolved Claim becomes a Proven Claim, the Applicants, with oversight of and assistance from the Monitor, will distribute to the holder thereof the amount of Class B Preferred Shares to which such Creditor would have been entitled to receive in respect of its Proven Claim on the Distribution Date had such Unresolved Claim been a Proven Claim on the Distribution Date.

After all Unresolved Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to Proven Claims, the Applicants, with oversight of and assistance from the Monitor, will deliver any remaining Class B Preferred Shares in the Unresolved Claims Reserve that were not required to be distributed hereunder to the Class B Converting Creditors *pro rata* in accordance with the terms and conditions described in Section 3.6.

6.8 **<u>Treatment of Unclaimed Distributions</u>**

If any distribution to an Affected Creditor under this Section 6 is returned as undeliverable (an "**Undeliverable Distribution**"), then neither the Applicants nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the Applicants and Monitor are notified in writing by such Creditor of such Creditor's current address at which time all such distributions will be made to such Creditor. The obligations of the Applicants and Monitor to an Affected Creditor with an Undeliverable Distribution will expire on the Business Day that is 6 months after the applicable Distribution Date for the Undeliverable Distribution, after which date any entitlement with respect to any Undeliverable Distributions will be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary. For greater clarity, nothing herein will require the Applicants or the Monitor to attempt to locate any Creditor or other Person with respect to an Undeliverable Distribution. No interest will be payable in respect of an Undeliverable Distribution. On the the

Business Day that is 6 months after the applicable Distribution Date for the Undeliverable Distribution, the amount of the Undeliverable Distribution will be released to the Applicants.

If any cheque in payment of a distribution to an Affected Creditor under this Article 6 is not cashed within 6 months after the applicable Distribution Date (an "**Uncashed Distribution**"): (i) such cheque may be cancelled by the Applicants, after which date any entitlement with respect to such distributions will be forever discharged and forever barred and the obligations of the Applicants and Monitor with respect thereto will expire, without any compensation therefor, notwithstanding any Applicable Laws to the contrary; and (ii) the amount otherwise payable pursuant to such cancelled cheque will be released to the Applicants. For greater clarity, nothing herein will require the Applicants or the Monitor to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

6.9 **Withholding Rights**

The Applicants and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person 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. 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 will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Applicants will deduct from any distribution to a Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the Applicants on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Applicants of information satisfactory to it (in its sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Applicants or any other Person deducts or withholds amounts pursuant to this Section 6.8. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

6.10 **Cancellation of Certificates and Notes, etc.**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

6.11 **Calculations**

All amounts to be paid by the Applicants hereunder will be calculated by the Applicants, with the assistance of the Monitor. All calculations made by the Applicants will be conclusive, final and binding upon the Affected Creditors, the Applicants, and all other Persons, absent manifest error.

6.12 **Currency Matters**

Distributions to Affected Creditors with Proven Claims will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Procedure Order.

The Applicants are hereby authorized to effect such exchange(s) of currency between Canadian dollars and U.S. dollars (or other foreign currencies) as may be necessary to effect payments of Unaffected Claims contemplated in Section 6.6 of the Plan, unless the Applicants and the holders of such Unaffected Claims have otherwise agreed to use a different methodology for converting or exchanging currency in respect of such Unaffected Claims.

ARTICLE 7
RELEASES

7.1 **Plan Releases**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, (i) the Applicants, the Applicants' employees, contractors, agents and advisors (including legal counsel) and their Directors; and (ii) the Monitor and the Monitor's counsel, and each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i) or (ii) of this Section 7.1, in their capacity as such, being herein referred to individually as a "**Released Party"** and all referred to collectively as "**Released Parties")** shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity, or rights of subrogation, which any Person may be entitled to assert, whether or not reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, or following the Plan Implementation Date up to the termination of the CCAA Proceeding that relate to matters relating to implementing the Plan, on or following the Plan Implementation

Date, or that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, any D&O Claims and any indemnification obligations with respect thereto, the business and affairs of the Applicants whenever or however conducted, the administration and/or management of the Applicants, the Plan or the CCAA Proceeding, or any document, instrument, matter or transaction involving any of the Applicants taking place in connection with the Plan (referred to collectively as the "**Released Claims"),** and all Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that the following shall not constitute Released Claims and nothing herein will waive, discharge, release, cancel or bar:

(i) any Unaffected Claim;

(ii) the Applicants of or from any of their obligations under the Plan, under any Order, or under any document delivered by the Applicants on the Plan Implementation Date pursuant to the Plan; or

(iii) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

7.2 Injunctions

From and after the Effective Time as set out in Section 4.1 hereof all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (i) 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 of the Released Parties; (ii) 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 property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, application, 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; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

7.3 Knowledge of Claims

Each Person to which Section 7.1 hereof applies shall be deemed to have granted the releases set forth in Section 7.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those claims including Claims or causes of action known or suspected to exist at the time of the granting of the release.

ARTICLE 8
COURT SANCTION

8.1 Application for Sanction Order

If the Plan is approved by the Required Majority of Affected Creditors, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

8.2 Sanction Order

The Sanction Order will, among other things:

(a) declare that (i) the Plan has been approved by the Required Majority of the Affected Creditors in accordance with the CCAA; (ii) the activities of the Applicants and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) neither the Applicants nor the Monitor have done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated in connection therewith are fair and reasonable, and are sanctioned and approved by the Court pursuant to section 6 of the CCAA and shall be binding and effective as set out herein;

(b) declare that the Plan, subject to the terms and conditions herein, including the Plan Implementation Conditions described in Section 9.1 and all associated steps, compromises, transactions, arrangements, releases and recapitalizations effected thereby are sanctioned and approved, and at the Effective Time as set out in Section 4.1 hereof will be binding and effective upon and with respect to the Applicants, all Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan or the Sanction Order;

(c) approve and authorize the Restructuring Steps;

(d) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, compromise, discharge and release the Applicants from any and all Affected Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicants in respect of or relating to any Affected Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims (to the extent they become Proven Claims);

(e) as of the Effective Time and in accordance with the sequences of steps set out in Section 4.1 hereof, compromise, discharge, and release the Released Parties from any and all Released Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties, or any of them, in respect of or relating to any Released Claim will be forever discharged and restrained, and all proceedings with respect to, in connection with, or relating to such Released Claims be permanently stayed;

(f) as of the Effective Time as set out in Section 4.1 hereof, bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Released Claims and any matter which is released pursuant to Section 7 hereof;

(g) declare that any Affected Claim that is not a Proven Claim or Unresolved Claim is forever barred and extinguished;

(h) declare that any Claim for which a proof of claim has not been filed by the applicable Claims Bar Date in accordance with the Claims Procedure Order is forever barred and extinguished and order the release of all such Claims;

(i) authorize the Applicants and the Monitor to perform their respective obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;

(j) declare that each of the CCAA Charges will be terminated, discharged, expunged and released upon receipt by the Applicants of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby;

(k) declare that, notwithstanding: (i) the pendency of the CCAA Proceeding; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Applicants and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Applicants, the transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants or their assets and will not be void or voidable by creditors of the Applicants, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

(l) declare that, subject to the performance by the Applicants of their obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Applicants, or any of them, are a party and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and the related provisions of the CCAA will be and remain in full force and effect, unamended as of the Effective Time as set out in Section 4.1 hereof, and no Person who is a party to any such contractual arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Applicants);

(ii) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;

(iii) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; or

(iv) any change in the control of the Applicants arising from the implementation of the Plan;

(m) declare that the stay of proceedings under the Initial Order continues until the Effective Time;

(n) approve the conduct of the Directors of the Applicants during the CCAA Proceeding;

(o) approve all conduct of EY in relation to the Applicants and bar all claims against it arising from or relating to the services provided to the Applicants up to and including the date of the Sanction Order, including any services provided by EY to the Applicants prior to the Filing Date;

(p) declare that the Applicants and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or in relation to the Plan or the implementation thereof; and

(q) approve the Unresolved Claims Reserve and Administration Reserve amounts.

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

(9) The Plan is subject to the satisfaction of the following conditions (the "**Plan Implementation Conditions**"):

(a) the Plan must be approved by the Required Majority of the Affected Creditors of the Applicants;

(b) the Sanction Order must be granted by the Court, consistent with the terms of Section 8.2;

(c) the existing unanimous shareholders agreement of AgMedica dated July 5, 2017, as amended shall be deemed to be terminated pursuant to the Sanction Order;

(d) AgMedica shall file articles of amendment to: (i) restate the rights, privileges, restrictions and conditions attaching to the Common Shares; (ii) create the Class A Preferred Shares; (iii) create the Class B Preferred Shares; and (iv) delete the existing Class "A" Preference shares of AgMedica;

(e) ~~(c)~~ all required approvals of the Plan and the Recapitalization Transaction, if any, by Health Canada will have been obtained by the Applicants, with the assistance of the Monitor;

(f) ~~(d)~~ all applicable appeal periods in respect of the Sanction Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellant tribunal;

(g) ~~(e)~~ the Offering and all other agreements required pursuant thereto will have been executed, delivered, and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(h) ~~(f)~~ the Secured Exit Facility Agreement and all other agreements required pursuant thereto will have been executed, delivered, and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(i) ~~(g)~~ each of the conditions precedent to the closing of the Offering and the Secured Exit Facility Agreement will have been satisfied or waived in accordance with the terms therein;

(j) ~~(h)~~ all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicants and the Monitor, are necessary to implement the provisions of the Plan or the Sanction Order; and

(k) ~~(i)~~ no action or proceeding will be pending by any third party to enjoin or prohibit the Recapitalization Transaction.

9.2 **Plan Implementation Date**

Upon satisfaction of the Plan Implementation Conditions, the Applicants will proceed to implement the Plan. In consultation with the Monitor, the Applicants will designate the Plan Implementation Date and will implement the Plan on that date in accordance with the terms and conditions hereof.

9.3 **Monitor's Certificate – Plan Implementation**

As soon as practicable after of the Effective Time, the Monitor will serve on the service list in the CCAA Proceeding and post on the Monitor's Website a certificate confirming that the Plan Implementation Date has occurred and will file such certificate with the Court as soon as practicable after it has been delivered.

ARTICLE 10
GENERAL

10.1 **Binding Effect**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, the Plan will become effective and binding on and enure to the benefit of the Applicants, the Stakeholders, the Released Parties, the Affected Creditors and any other Person named or referred to in or subject to the Plan and their respective heirs, executors, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time:

(a) the treatment of Affected Claims and Released Claims under the Plan will be final and binding for all purposes upon and enure to the benefit of the Applicants, the Released Parties, all Affected Creditors and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(b) all Affected Claims will be forever discharged and released, excepting only with respect to any distribution thereon in the manner and to the extent provided for in the Plan;

(c) all Released Claims will be forever discharged, released, enjoined and barred;

(d) each Affected Creditor and each Person holding a Released Claim will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and

(e) each Affected Creditor and each Person holding a Released Claim (to the extent that contractual releases have not been executed and delivered by such Person) will be deemed to have:

    (i) executed and delivered to the Applicants and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

    (ii) waived any default by or rescinded any demand for payment against the Applicants that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively; and

    (iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively, as at the moment before the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

10.2 **Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.3 **Modification of the Plan**

The Applicants reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of Claims subject to the Claims Procedure Order), provided that any such amendment, restatement, modification or supplement is on terms satisfactory to the Monitor and must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meeting, communicated to the Affected Creditors in the manner contemplated by the Meeting Order; and (ii) if made following the Meeting, approved by the Court and following notice to the Affected Creditors.

Notwithstanding Section 10.3(1), after the Meeting, the Applicants may amend, restate, modify and/or supplement the Plan with the consent of the Monitor, without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court, (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Affected Creditors, (iii) does not materially decrease the anticipated recovery of Affected Creditors under the Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor, and (iv) does not amend the Plan Implementation Conditions (including any provision of the Plan that is the subject of such conditions) without the consent of the party or parties for whose benefit the conditions exist.

Notwithstanding Sections 10.3(1) and (2), any amendment, restatement, modification or supplement to the Plan may be made by the Applicants at any time and from time to time, provided that it is made with the consent of the Monitor and: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors.

Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

(a) the Plan or the Sanction Order; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

10.5 **Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants and with the consent of the Monitor, following consultation with the Stakeholders, will have the power to either (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 **Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Applicants. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any other Order made in the CCAA Proceeding. EY will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Applicants to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of EY. The Monitor in its personal capacity will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

10.7 **Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.8 **Notices**

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or e-mail addressed to the respective parties as follows:

If to the Applicants:

AgMedica Bioscience Inc.
3111 Heritage Road, Suite 200
Chatham-Kent, Ontario
N7M 5W7

Attention: Trevor Henry, Chief Executive Officer
e-mail: thenry@agmedica.ca

With copies to (which will not constitute notice)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
Toronto, Ontario Canada
M5K 1K7

Attention Rebecca Kennedy and Adam Driedger
e-mail: rkennedy@tgf.ca; adriedger@tgf.ca

If to an Affected Creditor:

To the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the Applicants or the Monitor;

If to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto, Ontario, Canada
M5H 0B3

Attention: Alex Morrison and Karen Fung
e-mail: alex.f.morrison@ca.ey.com; karen.l.fung@ca.ey.com

With copies to (which will not constitute notice)

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto, Ontario Canada
M5K 1E6

Attention: James Gage and Trevor Courtis
e-mail: jgage@mccarthy.ca; tcourtis@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Applicants or the Monitor, by posting notice of such address change on the Monitor's website (www.ey.com/ca/agmedica). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

10.9 **Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan or any other events or transactions contemplated herein, notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

10.10 **Language**

The Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

10.11 **Acts to Occur on Next Business Day**

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

10.12 **Non-Consummation of the Plan**

If the Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the Plan and no act taken in preparation for the implementation of the Plan will (a) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicants or any other Person; (b) prejudice the rights of the Applicants or any other Person in any further proceeding involving the Applicants; or (c) constitute an admission of any sort by the Applicants or any Person.

DATED as of the 29th day of July, 2020.

Document comparison by Workshare 10.0 on Monday, August 24, 2020 9:51:36 AM

Input:	
Document 1 ID	file://C:\Users\adamd\Desktop\AgMedica - Draft CCAA Plan of Arrangement.DOCX
Description	AgMedica - Draft CCAA Plan of Arrangement
Document 2 ID	file://C:\Users\adamd\Desktop\AgMedica - Draft CCAA Plan of Arrangement - August 22, 2020.DOCX
Description	AgMedica - Draft CCAA Plan of Arrangement - August 22, 2020
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	62
Deletions	59
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	123

APPENDIX “C”

SCRUTINEERS’ REPORT

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 AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.

MEETING OF THE AFFECTED CREDITORS

AUGUST 25, 2020
11:00 a.m.

REPORT OF SCRUTINEERS ON ATTENDANCE

The undersigned scrutineers hereby report that the following Purchasers were present at the meeting referred to above (the "**Meeting**") either in person or by proxy, as indicated, representing an aggregate principal amount of Purchasers for purposes of voting ("**Voting Amounts**") as set out below:

Method of Voting	Numbers of Affected Creditors Represented	Aggregate Value of Voting Amounts
by proxy	73	$15,275,798.53
in person	4	$797,349.45
Totals	77	$ 16,073,147.98

The total number of Affected Creditors represented in person or by proxy at the Meeting was 77 Affected Creditors, representing 41.6% out of a total of 185 Affected Creditors with claims in the CCAA proceedings. Accordingly, the undersigned scrutineers hereby report that a quorum, consisting of at least one Affected Creditor present in person or by proxy, was present at the Meeting.

DATED the 25th day of August, 20202.

Franca Mazzulla

Cecilia Wang

APPENDIX “D”

MINUTES OF MEETING

McCarthy Tétrault LLP
PO Box 48, Suite 5300
Toronto-Dominion Bank Tower
Toronto ON M5K 1E6
Canada
Tel: 416-362-1812
Fax: 416-868-0673

Trevor Courtis
Associate
Direct Line: (416) 601-7643
Direct Fax: (416) 868-0673
Email: tcourtis@mccarthy.ca

Memorandum

August 25, 2020

To: **Ernst & Young Inc.**

From: Trevor Courtis

c: Rebecca Kennedy and Adam Driedger, Thornton Grout Finnigan LLP

Re: Minutes of the Meeting of Affected Creditors of AgMedica Bioscience Inc. et. al.

Date and Time of Meeting: August 25, 2020 at 11:00 a.m. EST

Meeting called pursuant to the meeting order issued by the Ontario Superior Court of Justice (Commercial List) dated August 4, 2020 in Court File No. CV-19-00630052-00CL.

Please see the attached script for further details of the background and information provided by the Chair at the Meeting to attendees.

Meeting commenced at 11:03 a.m.

A. Introductions

Chairman's Call to Order (11:05 a.m.)

Introduction of Head Table: (11:08 a.m.)

- Rebecca Kennedy and Adam Driedger of Thornton Grout Finnigan LLP, counsel to the Applicants;

- Trevor Courtis of McCarthy Tetrault LLP, counsel to the Monitor.

- Also present at this meeting is Trevor Henry, Chief Executive Officer, Peter Van Mol, Chief Financial Officer, and Vince Dore, Vice President, Legal & Corporate Secretary of AgMedica.

Role of Chair and Appointment of Secretary (11:08 a.m.)

- Chair: Alex Morrison, Ernst & Young Inc. (Monitor)

- Secretary: Trevor Courtis, McCarthy Tétrault LLP (Counsel to Monitor)

Attendance at the Meeting (11:09 a.m.)

Appointment of Scrutineers (11:09 a.m.)

- Cecilia Wang and Franca Mazzulla, Ernst & Young Inc. (Monitor)

Order of Business (11:10 a.m.)

Notice of Meeting (11:11 a.m.)

Scrutineer's Report on Attendance and Quorum (11:12 a.m.)

- Attending this meeting in person via videoconference or by proxy are **79** Affected Creditors with Affected Claims that are Proven Claims.

Purpose of the Meeting (11:13 a.m.)

B. Background and Overview of Plan

Overview of Plan (11:13 a.m.)

- Background on AgMedica's CCAA Proceedings
- Classification of Creditors
- Recapitalization Transaction
- Affected Creditor Distribution Options
- Releases
- Unaffected Claims

Alternatives to the Plan and the Monitor's Recommendation (11:25 a.m.)

Preconditions to Plan Implementation (11:27 a.m.)

Procedure for a Vote (11:28 a.m.)

C. Question Period

Questions: (11:30 a.m.)

The Chair provided attendees with an opportunity to submit questions verbally or in writing through the chat function on Microsoft Teams.

1. Greg McDonald confirmed that no written questions had been submitted through the chat function.

2. Walter from Marigold (question posed verbally): Can you go over the two options for Option B and Option C again?

    a. The Chair provided an overview of the two options.

D. Voting

Resolution for Vote on Plan (11:35 a.m.)

Motion to Approve the Resolution: (11:39 a.m.)

- Moving: Alex Morrison by proxy on behalf of Bruce MacEachearn
- Seconding: Trevor Henry, in person
- Chair asked whether there are any opposition. No opposition voiced.

Pre-Meeting Proxy and Convenience Creditor Vote Results (read by Chair):

	# of Proxies	**$ Value of Proxies**
For:	46	$9,930,435.63
Against:	0	$0

Vote:

Greg McDonald provided link in chat function at 11:42 a.m.

Discussion and Questions:

1. Greg McDonald asked for the proxyholder on behalf of Caxton Mark (Laura Bellinger) to provide their vote with respect to the Plan. She indicated in the chat function that they are voting in favour of the Plan.

2. James Riegling: Verbal vote to approve the Plan.

3. Bridget Hoffer on behalf of Marigold: Changed vote on proxy and voted to approve the Plan.

4. Robert Berzins: Verbal vote to approve the Plan.

The Chair adjourned the meeting at 11:48 a.m. to allow the Scrutineers an opportunity to tabulate the votes. Chair advised that the Meeting will reconvene at approximately 12:00 p.m.

During the adjournment, Bridget Hoffer on behalf of Marigold indicated verbally that they were changing their vote to be against the Plan. The Monitor confirmed that this had been tabulated.

E. Results of Voting

The Chair called the Meeting back to order at 12:03 p.m.

The following question was submitted through the chat function during the adjournment.

1. How long is the Monitor around for?

   a. The Chair indicated that the CCAA proceedings continue until the Plan is implemented. The new equity and new debt will be advanced and the Applicants will emerge upon implementation as restructured entities without court or Monitor supervision. The exact timing of the plan implementation and distributions remains to be determined.

Report on Vote: (12:06 p.m.)

Proven Claims (read aloud by the Chair):

	Number	**Value**	**%Number**	**% Value**
In favour	72	$14,077,446.07	94.74%	87.86%
Against	4	$1,945,701.91	5.26%	12.14%
Total	76	$16,023,147.98		

Chair indicated that there were no Affected Creditors with Unresolved Claims in attendance and voting at the Meeting.

Overall Result: The Chair indicated that the Motion is carried – the Resolution has been adopted and the Chair declared that the Plan has been duly approved by the class of Affected Creditors.

Motion to Terminate Meeting: (12:08 p.m.)

- Moving: Alex Morrison by proxy on behalf of Bruce MacEachearn
- Seconding: Trevor Henry, in person
- Chair asked whether there are any opposition. No opposition voiced.

Meeting Concluded at 12:08 p.m.