Court File No. CV-20-00638930-00CL

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

MOTION RECORD
(Stay Extension and Late Claims)
(Returnable October 28, 2020)

October 22, 2020

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

TAB 1

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Applicants

NOTICE OF MOTION
(Stay Extension and Late Claims)
(Returnable October 28, 2020)

The Applicants will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on October 28, 2020 at 10:00am, or as soon after that time as the motion can be heard, by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 emergency. Please refer to the conference details attached as Schedule "A" hereto in order to attend. Please advise if you intend to join the motion by emailing Alexander Steele at asteele@mccarthy.ca.

PROPOSED METHOD OF HEARING: The motion is to be heard by Zoom.

THE MOTION IS FOR:

(a) an order extending the Stay Period (as defined in the order of Justice Hainey dated March 31, 2020 as amended (the "**Initial Order**")), up to and including January 31, 2021;

(b) an order authorizing Ernst & Young Inc. in its capacity as court-appointed Monitor (the "**Monitor**") to accept the late filing of certain Proofs of Claim that were received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable ("**Late Claims**");

(c) an order approving the activities, fees and disbursements of the Monitor and its counsel; and

(d) such other relief as this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. The facts in support of this motion are set out in the affidavit of Greg Guyatt sworn October 21, 2020 (the “**Guyatt Affidavit**”). Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Guyatt Affidavit.

Background

2. On March 31, 2020, the Honourable Mr. Justice Hainey granted the Applicants (or “**CannTrust**”) an initial order pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), that, among other things, imposed a stay of proceedings, up to and including April 9, 2020 (the “**Stay Period**”).

3. On April 9, 2020, the Honourable Mr. Justice Hainey granted an order (the “**Amended and Restated Initial Order**”) amending and restating the Initial Order to, among other things, extend the Stay Period to July 5, 2020.

4. On July 2, 2020, the Honourable Mr. Justice Hainey granted an order extending the Stay Period to October 30, 2020 (the “**July Stay Extension Order**”).

5. Since the granting of the July Stay Extension Order, CannTrust has acted, and continues to act, in good faith and with due diligence. Among other things, CannTrust has:

(a) successfully obtained the reinstatement of its licence at the Vaughan Facility (in addition to the licence for its Fenwick Facility which was previously reinstated);

(b) worked diligently to restart its cultivation operations at the Fenwick Facility;

(c) worked diligently to restart certain extraction, manufacturing and packaging operations at the Vaughan Facility;

(d) continued to take steps to right-size its operational footprint including by renegotiating or disclaiming certain contracts;

(e) worked with the Monitor to advance the Claims Procedure and review the approximately 154 Proofs of Claim that were filed in accordance therewith; and

(f) continued to actively participate in the Mediation Process in accordance with the procedures and timelines established by the Court-Appointed Mediator.

Stay Extension

6. CannTrust is seeking an extension of the Stay Period up to and including January 31, 2021. The requested extension is necessary and appropriate in the circumstances to allow CannTrust to:

(a) continue to restructure and stabilize its business as it restarts operations at the Fenwick Facility and the Vaughan Facility;

(b) engage with the plaintiffs and other parties in the Pending Litigation through the Mediation Process in order to explore a potential resolution of those claims;

(c) continue to work with the Monitor to advance the Claims Procedure by reviewing the remaining Proofs of Claims filed in connection therewith, and engage with several Claimants that have filed Notices of Dispute with respect to certain Claims that have been revised or disallowed; and

(d) continue to review any strategic alternatives that may arise with the assistance of the Monitor, FTI Consulting Canada Inc. in its capacity as chief restructuring officer to CannTrust (the "**CRO**") and Greenhill & Co. Canada Ltd. in its capacity as financial advisor to CannTrust.

7. A stay extension until January 31, 2021 would provide a reasonable period of time to allow for meaningful progress on the above-noted fronts, and once sufficient progress has been made, for CannTrust to formulate a CCAA plan of arrangement, taking the steps necessary to achieve approval by the creditors and the court and, if approved, implementing the CCAA plan. A stay until January 31, 2021 would provide CannTrust with a reasonable period of time to make substantial progress toward those restructuring goals.

8. CannTrust expects to have sufficient funds to meet its day-to-day obligations throughout the requested extension of the Stay Period, as evidenced by the cash flow forecast, to be filed.

Late Claims

9. Certain claims from trade creditors and former employees of CannTrust were filed with the Monitor after the applicable bar date in the Claims Procedure Order (the "**Late Claims**"). The Late Claims were submitted either within 3 months after the applicable bar date or forthwith after the claimants were made aware of the Claims Process or the existence of their claims.

10. CannTrust is requesting that the Monitor be authorized, in its discretion, to accept the late filing of the Late Claims where appropriate so that it may review such claims in accordance with the Claims Procedure Order. Given the context of the filing of the Late Claims, the requested relief is appropriate in the circumstances.

11. CannTrust also relies upon the following:

(a) Section 11.02 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court; and

(b) Such further and other grounds as counsel may advise and this Honourable court may permit.

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

(a) The Guyatt Affidavit, sworn October 21, 2020;

(b) Fifth Report of the Monitor, to be filed; and

(c) such further and other materials as counsel may advise and this Court may permit.

October 22, 2020

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Lawyers for the Applicants

TO: SERVICE LIST

SCHEDULE "A"

Conference Details to join Motion via Zoom

Zoom Details:

Topic: CannTrust - Stay Extension and Late Claims
Time: October 28, 2020 10:00 AM Eastern Time (US and Canada)

Join Zoom Meeting
https://zoom.us/j/96064742181

Meeting ID: 960 6474 2181
One tap mobile
+13462487799,,96064742181# US (Houston)
+16699006833,,96064742181# US (San Jose)

Dial by your location
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
+1 929 436 2866 US (New York)
+1 253 215 8782 US (Tacoma)
+1 301 715 8592 US (Germantown)
+1 312 626 6799 US (Chicago)
Meeting ID: 960 6474 2181
Find your local number: https://zoom.us/u/acFimVzLtw

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(STAY EXTENSION AND LATE CLAIMS)

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Lawyers for the Applicants

TAB 2

Court File No. CV-20-00638930-00CL

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

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Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn October 21, 2020)

I, Greg Guyatt, of the City of Mississauga, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("**CEO**") of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since February 17, 2020. Prior to my appointment as CEO, I served as the Chief Financial Officer ("**CFO**") of CannTrust Holdings since joining CannTrust Holdings on or around February 19, 2019. I am a Chartered Professional Accountant and have more than 20 years of experience in the consumer packaged goods, retail, pharmaceutical and private equity sectors.

2. Through my current role as CEO, and my former role as CFO, of CannTrust Holdings, I am familiar with the operations, financial results and strategies of the Applicants. As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. I have sworn a series of affidavits in these proceedings, including an affidavit dated March 31, 2020 (the "**Initial Affidavit**") in support of the initial application of CannTrust pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and most recently an affidavit dated September 10, 2020 in support of a motion for an order extending the time for CannTrust Holdings to call an annual meeting of its shareholders.

4. I swear this affidavit in support of CannTrust's motion for an order (the "**Stay Extension and Late Claims Order**"), substantially in the form of the draft order included at Tab 3 of the Motion Record of CannTrust, among other things:

(a) extending the Stay Period (defined below) to January 31, 2021 (the "**Proposed Stay Extension Period**");

(b) authorizing Ernst & Young Inc. in its capacity as court-appointed monitor of the Applicants (the "**Monitor**") to accept the late filing of certain Proofs of Claim that were received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable (the "**Late Claims**"); and

(c) approving the activities, fees and disbursements of the Monitor and its counsel.

5. For ease of reference, the Applicants will be collectively referred to herein as "**CannTrust**". All dollar references herein are Canadian dollars unless otherwise referenced.

I. BACKGROUND

6. CannTrust is a licensed producer of cannabis in Canada that, prior to June 2019, operated an award-winning business that was experiencing operational growth and expanding

into new markets and product segments. However, following regulatory audits of CannTrust's facilities in June and July 2019 (the "**Health Canada Audits**"), Health Canada determined that CannTrust was growing and storing cannabis contrary to applicable laws.

7. Following the Health Canada Audits, among other things, shipments of all CannTrust's cannabis products were stopped, its cannabis licences were partially suspended and multiple putative securities class actions and other actions have been commenced against the company.

8. In the second half of 2019 and the first quarter of 2020, CannTrust undertook extensive efforts to address these challenges including, among other things, investigating the findings of the Health Canada Audits, cooperating with regulators such as Health Canada and the Ontario Securities Commission and implementing a comprehensive remediation plan at its production and processing facilities in Fenwick, Ontario (the "**Fenwick Facility**") and Vaughan, Ontario (the "**Vaughan Facility**") to address the findings of the Health Canada Audits and investigation with a view to obtaining the reinstatement of its licences.

9. CannTrust determined that it was in the best interests of the company and its stakeholders to complete its efforts to address these challenges in a court-supervised restructuring process.

10. On March 31, 2020, the Honourable Mr. Justice Hainey granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") in favour of CannTrust, including a stay of proceedings until April 9, 2020 (the "**Stay Period**").

11. On April 9, 2020, the Honourable Mr. Justice Hainey granted an order (the "**Amended and Restated Initial Order**") amending and restating the Initial Order to, among other things, extend the Stay Period to July 5, 2020. A copy of the Amended and Restated Initial Order is attached hereto as **Exhibit "A"**.

12. On May 8, 2020, the Honourable Mr. Justice Hainey granted:

(a) an order approving a sale and investment solicitation process for the purpose of soliciting interest in and opportunities for a sale of, or investment in, the assets and business operations of CannTrust (the "**SISP**");

(b) an order (the "**Claims Procedure Order**") approving a claims procedure for the identification, quantification, and resolution of certain claims of creditors of CannTrust and its directors and officers (the "**Claims Procedure**"); and

(c) an order (the "**Mediation Order**") appointing the Honourable Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to mediate a global settlement of certain class action and other claims that have been excluded from the Claims Procedure for the time being (the "**Mediation Process**").

13. A copy of the Claims Procedure Order is attached hereto as **Exhibit "B"**.

14. On July 2, 2020, the Honourable Mr. Justice Hainey granted an order extending the Stay Period to October 30, 2020 (the "**July Stay Extension Order**"). A copy of the July Stay Extension Order is attached hereto as **Exhibit "C"**.

15. On September 16, 2020, the Honourable Mr. Justice Hainey granted an order

extending the time for CannTrust Holdings to call an annual meeting of its shareholders until a date that is no later than 120 days after the expiry of the Stay Period (the "**AGM Extension Order**").

II. STAY EXTENSION

16. As set out further below, since the granting of the July Stay Extension Order, CannTrust has acted, and continues to act, in good faith and with due diligence.

(i) Business Updates

17. Since the issuance of the July Stay Extension Order, CannTrust has continued to engage with Health Canada to address its concerns and obtain the reinstatement of its cannabis licences. CannTrust successfully obtained the reinstatement of its licence at the Vaughan Facility (in addition to the licence for its Fenwick Facility which was previously reinstated on May 29, 2020).

<u>Fenwick Facility</u>

18. The Fenwick Facility is a state-of-the-art commercial greenhouse with a perpetual harvest system, computer controlled irrigation, co-generation power supply and full supplemental lighting.

19. As noted in my affidavit sworn June 25, 2020 in support of the July Stay Extension Order, CannTrust immediately took steps to recommence operations at the Fenwick Facility upon the reinstatement of its licences there. CannTrust propagated an initial harvest consisting of approximately 18,000 new plants, representing less than 20% of the Fenwick Facility's

capacity. CannTrust has continued to propagate addition plants as it continues to ramp up production to establish appropriate harvest timing under its perpetual harvest methodology. As of October 20th, 2020, CannTrust had propagated approximately 73,227 plants at the Fenwick Facility and is using approximately 40% of its licensed cultivation space.

20. The initial harvest following CannTrust's propagation of new plants began in mid-September (the "**Fall Harvest**"). The Fall Harvest has taken longer than anticipated to complete CannTrust's rigorous quality control procedure, which caused the Fall Harvest's initial yield to be lower than expected. That yield has now normalized.

21. Sales of CannTrust's existing bulk product are progressing, though at lower-than-expected pricing due to an increase in the supply of bulk product in the market.

22. Distribution of the Fall Harvest yield is expected to be completed in the fourth quarter of 2020.

<u>Vaughan Facility</u>

23. The Vaughan Facility is an extraction, manufacturing and packaging facility.

24. On April 24, 2020, CannTrust submitted a comprehensive package to Health Canada evidencing that it had completed the remediation plan for the Vaughan Facility and requested the reinstatement of its partially suspended licences with respect to the Vaughan Facility.

25. On August 6, 2020, CannTrust announced that it had been notified by Health Canada that its licenses for the Vaughan Facility had been reinstated effective immediately. A copy of the press release issued by CannTrust announcing this milestone is attached as **Exhibit "D"**.

26. CannTrust continued to take steps to prepare for the commencement of extraction, manufacturing and packaging operations at the Vaughan Facility following the initial harvest at the Fenwick Facility. CannTrust commenced processing activities at the Vaughan Facility in late September, though no product is yet ready for sale in the market.

Right-Sizing Operations

27. As it begins to ramp up its production and processing operations, CannTrust has continued to take steps to right-size its operational footprint to reflect its needs, including renegotiating several significant contracts. CannTrust has continued to identify and implement operational efficiencies at its various sites and identified certain business relationships to approach counterparties about revising the terms to better reflect CannTrust's anticipated business needs.

28. CannTrust returned several vehicles that were no longer required for its current or anticipated operations and terminated the associated contracts with vehicle lessors and equipment suppliers. CannTrust also disclaimed or otherwise terminated several contracts with telecommunications and human resource service providers where CannTrust determined, in consultation with the Monitor, that the services were no longer required.

(ii) Leave to Appeal Application by Rosen Plaintiffs

29. As noted in my Initial Affidavit, five putative class action lawsuits were commenced in Ontario against CannTrust and others (the "**Ontario Class Actions**") prior to the commencement of these proceedings on March 31, 2020.

30. On January 28, 2020, the Honourable Mr. Justice Hainey issued an endorsement (the "**Carriage Decision**") awarding carriage of the Ontario Class Actions to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation (the "**Consortium**").

31. On February 12, 2020, Rochon Genova LLP ("**RG**"), one of the law firms that was unsuccessful on the carriage motion, served a notice of motion seeking leave to appeal the Carriage Decision to the Divisional Court (the "**Carriage Leave Motion**"). On March 12, 2020, RG filed its motion materials for the Carriage Leave Motion. On March 27, 2020, the Consortium filed its responding materials for the Carriage Leave Motion.

32. On March 31, 2020, CannTrust commenced these proceedings and the Initial Order was issued. The Initial Order and Amended and Restated Initial Order each included a broad stay of proceedings with respect to the commencement or continuation of any proceeding against or in respect of CannTrust or affecting the Business or Property (as each term is defined in the Initial Order) except with the written consent of CannTrust or the Monitor, or leave of this Court. The Amended and Restated Initial Order also included a specific stay of proceedings with respect to the Pending Litigation (including the Ontario Class Actions).

33. Between March 12, 2020 and June 22, 2020, RG took no steps to advance the Carriage Leave Motion.

34. On May 8, 2020, the Mediation Order was issued appointing the Court-Appointed Mediator to mediate a global resolution of the Mediation Claims, which included the Ontario Class Actions.

35. On June 19, 2020, RG was informed by the Court-Appointed Mediator that RG would be permitted to participate in the Mediation Process solely on behalf of its singular representative plaintiff, Mr. Rosen, but not as class counsel on behalf of a class of shareholders.

36. On June 22, 2020, the next business day after being informed by the Court-Appointed Mediator of the limited scope of its participation in the Mediation Process, RG wrote to the Consortium asking whether they would agree to expedite the Carriage Leave Motion. The Consortium advised RG that they did not agree to this proposal on the basis that the Carriage Leave Motion was stayed by the Amended and Restated Initial Order. On June 24, 2020, RG emailed the Divisional Court and requested that the hearing of the pending Carriage Leave Motion be expedited.

37. On July 3, 2020, the Consortium and RG attended a telephone case conference convened by the Honourable Justice Corbett, sitting in the Divisional Court. CannTrust was not aware of this case conference and did not attend it. Justice Corbett held that the Consortium was required to bring a motion for a declaration that the Carriage Leave Motion was stayed by the Amended and Restated Initial Order. A copy of Justice Corbett's endorsement is attached hereto as **Exhibit "E"**.

38. The Consortium brought the motion required by Justice Corbett, which was heard on July 14, 2020 before the Honourable Mr. Justice Penny, sitting in the Divisional Court. CannTrust was notified of the motion and prepared written submissions in support of the relief sought. Counsel to CannTrust and the Monitor attended the hearing and made submissions.

39. Justice Penny issued a short endorsement following the hearing holding that the Carriage Leave Motion was stayed by the Amended and Restated Initial Order and that RG was required to bring a motion before this Court to lift the stay of proceedings in order to proceed with the Carriage Leave Motion. A copy of Justice Penny's endorsement is attached hereto as **Exhibit "F"**.

40. RG has not brought any motion before this Court to lift the stay of proceedings.

(iii) Status of Claims Procedure

41. On May 8, 2020, the Claims Procedure Order was issued, which authorized the implementation of the Claims Procedure by CannTrust, in consultation with the Monitor.

42. CannTrust sought to commence the Claims Procedure in order to ascertain the universe of claims that may exist against CannTrust and the directors and officers of CannTrust other than certain Excluded Equity Claims (as defined in the Claims Procedure Order) which are subject to the Mediation Order and are described in more detail below.

43. The Pre-Filing Claims Bar Date was June 22, 2020. The Restructuring Claims Bar Date is the later of 5:00 p.m. on: (i) the Pre-Filing Claims Bar Date; and (ii) 30 days after the Claimant is deemed to have received a Claims Package with respect to such Restructuring Claim. As at October 14, 2020, 154 Claims had been filed with the Monitor prior to the applicable bar date.

44. Since the Pre-Filing Claims Bar Date, CannTrust has been diligently working with the Monitor to review the Proofs of Claim received to assess which claims require additional

information, require revisions, can be resolved or settled, or may be accepted (in whole or in part) and/or resolved (in whole or in part). That assessment is on-going and is being conducted in accordance with the Claims Procedure Order. Further information with respect to the status of the Claims Process will be provided in the Fifth Report.

(iv) Status of the Mediation Process Overview – Mediation Claims

45. As described more fully in the Initial Affidavit, CannTrust is currently a defendant in various litigation proceedings, including putative securities class actions commenced in Ontario, British Columbia, Alberta, Quebec and the United States, a securities action commenced in Ontario against CannTrust Holdings by two shareholders, and a construction claim (the "**Pending Litigation**").

46. To address the complex and overlapping nature of the Pending Litigation, CannTrust sought the appointment of a mediator to assist the parties in working towards a global resolution of the Pending Litigation through the Mediation Process.

47. On May 8, 2020, the Mediation Order was issued appointing the Court-Appointed Mediator to mediate a global settlement of the Mediation Claims (as defined in the Mediation Order). Among other things, the Court-Appointed Mediator is empowered to do the following in carrying out his mandate:

(a) adopt processes and utilize resources which, in his discretion, he considers appropriate to facilitate negotiation of a global settlement; and

(b) consult with all Persons with Mediation Claims, the Monitor, the Applicant, the Other Defendants, any insurer of the Applicants or the Directors or Officers and any other persons the Court-Appointed Mediator considers appropriate.

48. Further to the Mediation Order, the Court-Appointed Mediator has established and is implementing a process that he considers appropriate to facilitate the resolution of issues in this complex case. CannTrust has actively engaged in the Mediation Process throughout.

49. Pursuant to the Mediation Order, the Mediation Process is confidential and all statements, discussions, offers made and documents produced by any of the parties in the course of the Mediation Process shall not be disclosed. Accordingly, the description of the activities of CannTrust and the Mediation Process below is general in nature.

50. Counsel for all interested plaintiffs in the Pending Litigation are participating in the Mediation, specifically the Consortium, plaintiffs' counsel in the separate class action lawsuits commenced in British Columbia, Alberta and Quebec, plaintiffs' counsel in the New York Class Actions, plaintiffs' counsel in the separate class action commenced in California, and counsel to two individual plaintiffs. As noted above, RG have been allowed to participate in the Mediation Process by filing briefs, but on the understanding that, as it stands now, it only represents its individual client.

51. Counsel for numerous defendants are also participating in the Mediation, including counsel to CannTrust, counsel to two individual former directors of CannTrust, counsel to a director and shareholder, counsel to KMPG (auditors), and counsel to the Canadian

Underwriters. Counsel for numerous providers of insurance to CannTrust and its directors and officers are also participating (the "**Insurers**").

52. In all, over 80 counsel, representing over 30 separate parties organized into at least seven groups of plaintiffs/potential plaintiffs and multiple defendant/defendants groups, have been participating in the Mediation since it began in May 2020. The Mediation has been a significant undertaking for CannTrust and its counsel. The Mediator has arranged for regular sessions with CannTrust and/or the plaintiff groups, on a nearly bi-weekly basis. The participants have also prepared extensive briefs for use by the Mediator and other parties.

53. CannTrust has been encouraged by the progress made in the Mediation to date and the seriousness with which the parties have engaged in the Mediation. CannTrust remains committed to engaging in the Mediation Process and moving negotiations forward in accordance with the direction provided by the Court-Appointed Mediator.

(v) Appropriate to Extend the Stay Period

54. The Stay Period presently expires on October 30, 2020. As set out further above, since the granting of the July Stay Extension Order, CannTrust has acted, and continues to act, in good faith and with due diligence. Among other things, CannTrust has:

(a) successfully obtained the reinstatement of its licence at the Vaughan Facility (in addition to the licence for its Fenwick Facility which was previously reinstated);

(b) worked diligently to restart its cultivation operations at the Fenwick Facility;

(c) worked diligently to restart certain extraction, manufacturing and packaging operations at the Vaughan Facility;

(d) continued to take steps to right-size its operational footprint including by renegotiating or disclaiming certain contracts; and

(e) worked with the Monitor to advance the Claims Procedure and review the approximately 154 Proofs of Claim that were filed in accordance therewith; and

(f) continued to actively participate in the Mediation Process in accordance with the procedures and timelines established by the Court-Appointed Mediator.

55. Many of these processes remain ongoing and require more time to see through. CannTrust seeks an extension of the Stay Period until January 31, 2021. The requested extension is necessary and appropriate in the circumstances to allow CannTrust to:

(a) continue to restructure and stabilize its business as it restarts operations at the Fenwick Facility and the Vaughan Facility;

(b) engage with the plaintiffs and other parties in the Pending Litigation through the Mediation Process in order to explore a potential resolution of those claims;

(c) continue to work with the Monitor to advance the Claims Procedure by reviewing the remaining Proofs of Claims filed in connection therewith, and engage with several Claimants that have filed Notices of Dispute with respect to certain Claims that have been revised or disallowed; and

(d) continue to review any strategic alternatives that may arise with the assistance of the Monitor, FTI Consulting Canada Inc. in its capacity as chief restructuring officer to CannTrust (the "**CRO**") and Greenhill & Co. Canada Ltd. in its capacity as financial advisor to CannTrust.

56. Given the number of parties and the scope of the issues, CannTrust anticipates that the Mediation Process will take significant time to explore positions, develop a resolution and create consensus in respect thereof. CannTrust continues to believe that it is critical to give the multi-party Mediation Process directed by the Court-Appointed Mediator the time and attention required to ensure the best chances of achieving a successful global resolution of the Mediation Claims. Meaningful progress has been made already.

57. Similarly, it is anticipated that significant time will be required to review the Claims submitted in the Claims Procedure including the Late Claims, should the Court approve their admittance by the Monitor, and resolve any disputes arising therefrom.

58. Once sufficient progress is made on these fronts, CannTrust will need to formulate a CCAA plan of arrangement to propose to creditors and prepare the necessary materials and take the necessary steps to conduct one or more meetings of applicable creditors, seek court approval and, if approved by the creditors and court, implement the CCAA plan. A stay until January 31, 2021 would provide CannTrust with a reasonable period to make substantial progress toward those restructuring goals.

59. CannTrust, with the assistance of the Monitor and the CRO, has prepared a cash flow

forecast for the Proposed Stay Extension Period (the "**Cash Flow Forecast**"), which will be appended to the Fifth Report of the Monitor, to be filed (the "**Fifth Report**"). The Cash Flow Forecast demonstrates that the Applicants will have sufficient liquidity to operate their business and meet their obligations during the Proposed Stay Extension Period.

60. The requested extension of the stay of proceedings is necessary and appropriate to keep various stakeholders on equal footing while CannTrust completes the above steps and explores a plan of compromise or arrangement.

III. LATE CLAIMS

61. As at October 14, 2020, there were 70 Claims that were filed with the Monitor after the applicable bar date in the Claims Procedure Order in the aggregate amount of $2,521,011 (the "**Late Claims**"). 14 of the Late Claims were filed by trade creditors. 56 of the Late Claims were filed by former employees.

62. CannTrust understands from the Monitor that each of the Late Claims was submitted either: (a) within 3 months after the applicable bar date; or (b) forthwith after the applicable Claimant was made aware of the Claims Process or received new material information, which information confirmed and substantiated the existence of their Claim.

63. CannTrust is requesting that this Court authorize the Monitor, in its discretion, to accept the late filing of the Late Claims where appropriate. CannTrust and the Monitor will review the Late Claims in accordance with the Claims Procedure Order for the purposes of determining whether such Late Claims should be accepted, revised, or disallowed, in whole or in part.

64. Further information with respect to the Late Claims will be provided in the Fifth Report.

IV. CONCLUSION

65. For the reasons stated above, the relief requested in the Stay Extension and Late Claims Order is in the best interests of CannTrust and its stakeholders and is appropriate in the circumstances.

SWORN BEFORE ME over videoconference on this 21st day of October, 2020. The affiant was located in the City of Mississauga, in the Province of Ontario and the Commissioner was located in the City of Toronto, in the Province of Ontario. This affidavit was commissioned remotely as a result of the COVID-19 pandemic.	Greg Guyatt

A Commissioner for taking Affidavits
Name: Alexander Steele (LSO# 75719P)

This is Exhibit "**A**" referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 9TH
	)	
MR. JUSTICE HAINEY	)	DAY OF APRIL, 2020

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order amending and restating the Initial Order (the "**Initial Order**") issued on March 31, 2020 (the "**Initial Filing Date**") and extending the stay of proceedings provided for therein was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Greg Guyatt sworn March 31, 2020 and the Exhibits thereto (the "**Guyatt Affidavit**"), the affidavit of Greg Guyatt sworn April 6, 2020 and the Exhibits thereto (the "**Second Guyatt Affidavit**"), the consent of Ernst & Young Inc. ("**EYI**") to act as the Monitor (in such capacity, the "**Monitor**"), the Pre-Filing Report of EYI in its capacity as the proposed Monitor dated March 31, 2020, and the First Report of the Monitor dated April 8, 2020, and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavit of Service of Trevor Courtis sworn April 7, 2020.

AMENDING AND RESTATING INITIAL ORDER

1. **THIS COURT ORDERS** that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that each of the Applicants' existing depository and disbursement banks (collectively, the "**Banks**") is authorized to debit the applicable Applicant's accounts in the ordinary course of business without the need for further order of this Court for: (i) all cheques drawn on the applicable Applicant's accounts which are cashed at such Bank's counters or exchanged for cashier's cheques by the payees thereof prior to the date of this Order; (ii) all cheques or other items deposited in one of the Applicant's accounts with such Bank prior to the date of this Order which have been dishonoured or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent an Applicant was responsible for such items prior to the date of this Order; and (iii) all undisputed pre-filing amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

8. **THIS COURT ORDERS** that any of the Banks may rely on the representations of the applicable Applicant with respect to whether any cheques or other payment order drawn or issued by the applicable Applicant prior to the date of this Order should be honoured pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the applicable Applicant as provided for herein.

9. **THIS COURT ORDERS** that (i) those certain existing deposit agreements between the Applicants and the Banks shall continue to govern the post-filing cash management relationship between the Applicants and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, (ii) either any of the Applicants, with the consent of the Monitor, or the Banks may, without further Order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts, and (iii) all control agreements in existence prior to the date of this Order shall apply.

10. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing Date:

(a) all outstanding and future wages, salaries, contract amounts, amounts payable pursuant to the CannTrust Capital Appreciation Plan (whether accrued prior to, on or after the Initial Filing Date), employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing Date to employees or contractors, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Applicants, or retained by employees or officers of the Applicants that the Applicants have agreed to reimburse, in respect of these proceedings, at their standard rates and charges; and

(c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if in the opinion of the Applicants the supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

11. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the

Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and

(c) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

12. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "**Sales & Excise Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales & Excise Taxes are accrued or collected after the Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

13. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the Initial Filing Date twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

14. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

15. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and

(c) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

16. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claims to the fixtures in dispute.

17. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

18. **THIS COURT ORDERS** that from the Initial Filing Date until and including July 5, 2020, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

19. **THIS COURT ORDERS** that during the Stay Period, none of the Pending Litigation (as defined in the Guyatt Affidavit) or any Proceeding in relation thereto shall be commenced, continued or take place against or in respect of any Person named as a defendant or respondent in any of the Pending Litigation (such Persons, the "**Other Defendants**"), except with leave of this Court, and any and all such Proceedings currently underway or directed to take place against or in respect of any of the Other Defendants, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

20. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding by, against or in respect of the Applicants or any of the Other Defendants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

21. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any

business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

22. **THIS COURT ORDERS** that, during the Stay Period, all rights and remedies of any Person against or in respect of Cannabis Coffee and Tea Pod Company Ltd., Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and O Cannabis We Stand on Guard For Thee Corporation (each, an "**Affected Party**", and collectively, the "**Affected Parties**") arising out of, relating to, or triggered by the insolvency of any of the Applicants, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings (collectively, the "**Cross-Default Matters**"), are hereby stayed and suspended except with the written consent of the relevant Applicants, the relevant Affected Party and the Monitor, or leave of this Court, and the operation of any provision of any agreement or other arrangement between any Person and any of the Affected Parties whether written or oral that purports to accelerate, terminate, cancel, suspend or modify such agreement or arrangement or create a right to purchase, a right of first refusal or a lien with respect to any property of an Affected Party as a result of any of the Cross-Default Matters is hereby stayed and restrained pending further order of this Court.

NO INTERFERENCE WITH RIGHTS

23. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

24. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of

such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

25. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

27. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

28. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $3.55 million, as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 and 59 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 27 of this Order.

APPOINTMENT OF MONITOR

30. **THIS COURT ORDERS** that EYI is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) review and approve Intercompany Advances (as defined below);

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;

(e) advise the Applicants in its development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;

(g) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;

(h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without

limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada) the *Controlled Drugs and Substances Act* (Canada), the *Excise Tax Act* (Canada), the *Cannabis Control Act* (Ontario), or other such applicable federal or provincial legislation ("**Cannabis Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation or the Cannabis Legislation, unless it is actually in possession.

34. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

36. **THIS COURT ORDERS** that the agreement dated as of March 27, 2020 pursuant to which the Applicants have engaged FTI Consulting Canada Inc. ("**FTI**") to act as Chief

Restructuring Officer ("**CRO**") and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit "G" to the Guyatt Affidavit (the "**CRO Engagement Letter**"), the execution of the CRO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

37. **THIS COURT ORDERS** that the CRO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

38. **THIS COURT ORDERS** that the CRO shall not, as a result of the performance of its obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, (ii) any of the Property, the administration and control of which is subject to the provisions of the Cannabis Legislation; however, if the CRO is nevertheless later found to be in Possession of any Property, then the CRO shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the CRO from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation.

39. **THIS COURT ORDERS** that the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO.

40. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the Applicant, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave.

41. **THIS COURT ORDERS** that the obligations of the Applicant to the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR ENGAGEMENT

42. **THIS COURT ORDERS** that the agreement dated as of April 3, 2020 pursuant to which the Applicants have engaged Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") to assist the Applicants in a review of strategic alternatives, a copy of which is attached as Exhibit "D" to the Second Guyatt Affidavit (the "**Financial Advisor Engagement Letter**"), the execution of the Financial Advisor Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the Financial Advisor pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

43. **THIS COURT ORDERS** that the Financial Advisor shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

44. **THIS COURT ORDERS** that the Financial Advisor shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor.

45. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or with leave of this Court on notice to the Applicant, the Monitor and the Financial Advisor. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the Financial Advisor at least seven (7) days prior to the return date of any such motion for leave.

46. **THIS COURT ORDERS** that the obligations of the Applicant to the Financial Advisor pursuant to the Financial Advisor Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of the Applicants.

ADMINISTRATION CHARGE

47. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, the Financial Advisor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, the Financial Advisor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

48. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

49. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1.4 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, both before and after the Initial Filing Date in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 57 and 59 hereof.

TRANSACTION FEE CHARGE

50. THIS COURT ORDERS that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the "**Transaction Fee Charge**") on the Property, as security for the Transaction Fee (as defined the Financial Advisor Engagement Letter). The Transaction Fee Charge shall have the priority set out in paragraphs 57 and 59 hereof.

INTERCOMPANY FINANCING

51. **THIS COURT ORDERS** that CannTrust Holdings Inc. (the "**Intercompany Lender**") is authorized to loan to each of CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. (each, an "**Intercompany Borrower**"), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the "**Intercompany Advances**"), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

52. **THIS COURT ORDERS** that the Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing Date. The Intercompany Charge shall have the priority set out in paragraphs 57 and 59 hereof.

53. **THIS COURT ORDERS AND DECLARES** that the Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or any proposal filed under the BIA in respect of the Applicants, with respect to any Intercompany Advances made on or after the Initial Filing Date.

KERP AND KERP CHARGE

54. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described and defined in the Second Guyatt Affidavit, for the benefit of the Key Employees (as defined in the Second Guyatt Affidavit) is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms and conditions of the KERP.

55. **THIS COURT ORDERS** that the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of $1.4 million to secure amounts owing to the Key Employees under the KERP. The KERP Charge shall have the priority set out in paragraphs 57 and 59 hereof.

56. **THIS COURT ORDERS** that the unredacted version of the KERP, a copy of which is attached as Confidential Exhibit "B" to the Second Guyatt Affidavit, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge and the Intercompany Charge (the "**Charges**"), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of $1.4 million);

Second – Directors' Charge (to the maximum amount of $3.55 million);

Third – KERP Charge (to the maximum amount of $1.4 million);

Fourth – Transaction Fee Charge;

Fifth – Intercompany Charge.

58. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

59. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

60. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

61. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

62. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

63. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses in relation to any filings, disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities**

Filings") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange, and the NYSE Listed Company Manual and other rules, regulations and policies of the New York Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

64. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, the Monitor (and its directors, officers, employees and representatives), nor the CRO shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

SERVICE AND NOTICE

65. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

66. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-

commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.ey.com/ca/canntrust.

67. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

68. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

69. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

71. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that CannTrust Holdings Inc. is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in the United States and any other jurisdiction outside Canada.

72. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

73. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

APR 1 5 2020 JP

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

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

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Email: asteele@mccarthy.ca
Lawyers for the Applicants

DOC#: 19528138

This is Exhibit “**B**” referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 8TH
	)	
MR. JUSTICE HAINEY	)	DAY OF MAY, 2020

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.

Applicants

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**Claims Procedure Order**") approving a procedure for the identification, quantification, and resolution of certain claims of creditors of the Applicants and their respective directors and officers, was heard this day by way of videoconference due to the COVID-19 crisis.

ON READING the affidavit of Greg Guyatt sworn May 1, 2020 and the exhibits thereto, and the Second Report of the Monitor dated May 4, 2020 (the "**Second Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavit of Service of Trevor Courtis sworn May 4, 2020.

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of this motion and the Second Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

(a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as, amended;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(c) "**CCAA Proceedings**" means the within proceedings in respect of the Applicants under the CCAA;

(d) "**CCAA Charges**" means the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge and the Intercompany Charge (as each such term is defined in the Initial Order) and any other court-ordered charge over the property of the Applicants that may be granted by the Court;

(e) "**Claim**" means a Pre-Filing Claim, a Restructuring Claim and a D&O Claim, provided, however, that "Claim" shall not include an Excluded Claim;

(f) "**Claimant**" means any Person asserting a Claim and includes the transferee or assignee of a Claim, transferred and recognized in accordance with paragraphs 36 and 37 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

(g) "**Claims Officer**" means one or more individuals appointed in accordance with paragraph 32 of this Claims Procedure Order to act as a claims officer for the purposes of this Claims Procedure Order;

(h) “**Claims Package**” means the Proof of Claim form, the Notice to Claimants, the Instruction Letter, and any other documentation the Applicants, in consultation with the Monitor, may deem appropriate;

(i) “**Claims Procedure**” means the procedures outlined in this Claims Procedure Order, including the Schedules hereto;

(j) “**Court**” means the Ontario Superior Court of Justice (Commercial List);

(k) “**D&O Claim**” means, as against any Director or Officer, in his or her capacity as such, any D&O Restructuring Claim and any and all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any creditor or other Person has or may be entitled to assert (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged wrongful or oppressive conduct, misrepresentation, fraud or breach of fiduciary duty), whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence that in any way relate to or arise out of or in connection with (i) any Pre-Filing Claim; (ii) the assets, obligations, business or affairs of the Applicants; or (iii) the CCAA Proceedings or any matter or transaction occurring in or in connection with the CCAA Proceedings, but “D&O Claim” does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;

(l) “**D&O Restructuring Claim**” means, any right or claim of any Person against any Director or Officer, in his or her capacity as such, in connection with any indebtedness, liability or obligation of any kind whatsoever by any such Director or Officer to such Person arising out of the restructuring, disclaimer, repudiation, resiliation or termination by an Applicant on or after the Filing Date of any contract, lease, other agreement or obligation whether written or oral but "D&O Restructuring Claim" does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;

(m) "**Director**" means any former or present director of any of the Applicants or any Person of similar position or any other Person who by applicable law is deemed to be or is treated similarly to a director of any of the Applicant or who currently manages or supervises the management of the business and affairs of any of the Applicants or did so in the past;

(n) "**Directors' Charge**" has the meaning given to such term in the Initial Order;

(o) "**Directors' Counsel**" means counsel to any of the Directors and/or Officers;

(p) "**Dispute Package**" means the Proof of Claim filed by a Claimant, the Notice of Revision or Disallowance delivered by the Monitor in respect of that Proof of Claim, the Notice of Dispute filed by the Claimant in respect of the Notice of Revision or Disallowance, and any ancillary documentation as determined by the Monitor;

(q) "**Equity Claim**" has the meaning set forth in Section 2(1) of the CCAA;

(r) "**Excluded Claim**" means:

(i) any Excluded Equity Claim;

(ii) any claim secured by any of the CCAA Charges; and

(iii) any investigation, action, suit, order or proceeding in respect of the Applicants or any of them 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;

(s) "**Excluded Equity Claim**" means any Equity Claim against or in respect of CannTrust Holdings Inc. or its Directors or Officers, including for greater certainty: (i) any claim against or in respect of CannTrust Holdings Inc. or its Directors or Officers in the Pending Litigation; and (ii) any claim of a Director or Officer or any other Person for contribution or indemnity from CannTrust Holdings Inc. in respect of the Pending Litigation or an Equity Claim;

(t) "**Filing Date**" means March 31, 2020;

(u) "**Initial Order**" means the Initial Order of the Honourable Mr. Justice Hainey made March 31, 2020 in these CCAA Proceedings, as amended, restated or varied from time to time;

(v) "**Instruction Letter**" means the instruction letter to Claimants, substantially in the form attached as Schedule "**B**" hereto, regarding the completion of a Proof of Claim by a Claimant and the Claims Procedure described herein;

(w) "**Meeting**" means a meeting of the creditors of the Applicants called for the purpose of considering and voting in respect of a Plan;

(x) "**Monitor**" means Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants;

(y) "**Monitor's Website**" means the case website established by the Monitor with the following URL: http://www.ey.com/ca/canntrust;

(z) "**Notice to Claimants**" means the notice for publication by the Monitor as described in paragraph 15 hereof, in the form attached as Schedule "**A**";

(aa) "**Notice of Dispute**" means the notice referred to in paragraph 28 hereof substantially in the form attached as Schedule "**E**" hereto which must be delivered to the Monitor by any Claimant wishing to dispute a Notice of Revision or Disallowance, with reasons for its dispute;

(bb) "**Notice of Revision or Disallowance**" means the notice referred to in paragraph 27 hereof, substantially in the form of Schedule "**D**" advising a Claimant that the Applicants, with the consent of the Monitor, have revised or rejected all or part of such Claimant's Claim as set out in its Proof of Claim;

(cc) "**Officer**" means any former or present officer of any of the Applicants or any Person of similar position or any other Person who by applicable law is deemed to be or is treated similarly to an officer of any of the Applicants;

(dd) "**Orders**" means any and all orders issued by the Court within the CCAA Proceedings, including the Initial Order;

(ee) "**Pending Litigation**" has the meaning given to such term in the Initial Order;

(ff) "**Person**" means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body or officer thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;

(gg) "**Plan**" means a plan of compromise or arrangement contemplated by the Initial Order;

(hh) "**Pre-Filing Claim**" means any right of claim of any Person that may be asserted or made in whole or in part against any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (international 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 or 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, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof that (A) is based in whole or in part on facts existing 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 or Officers in respect of a D&O Claim other than a D&O Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim);

(ii) "**Pre-Filing Claims Bar Date**" means 5:00 p.m. (Eastern Time) on June 22, 2020;

(jj) "**Proof of Claim**" means the Proof of Claim referred to in paragraphs 19 to 22 hereof to be filed by Claimants, substantially in the form attached hereto as Schedule "**C**";

(kk) "**Proven Claim**" means the amount and Status of a Claim of a Claimant as finally determined in accordance with this Claims Procedure Order;

(ll) "**Restructuring Claim**" means a D&O Restructuring Claim and any right of 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 or termination 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 or Officers in respect of a Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim);

(mm) "**Restructuring Claims Bar Date**" means the later of:

(i) the Pre-Filing Claims Bar Date; and

(ii) 5:00 p.m. (Eastern Time) on the day which is thirty (30) days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with paragraph 14 or 18 hereof, as applicable;

(nn) "**Secured Claim**" means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicants (including statutory and possessory liens that create security interests) taking into account the value of such collateral and the priority of such security, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction, as of the Filing Date or after the Filing Date if permitted by the Initial Order; and

(oo) "**Status**" means, with respect to a Claim, whether such claim is an unsecured Claim, Secured Claim, or Equity Claim.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. **THIS COURT ORDERS** that the Applicants, in consultation with the Monitor, are hereby authorized (i) to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms, and (ii) to request any further documentation from a Claimant that the Applicants or the Monitor may reasonably require in order to determine the validity and/or Status of a Claim.

7. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Applicants or the Monitor of Claims and the filing by any Claimant of any Claims shall not, for that reason only, grant any Person standing in these proceedings.

8. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of a Claim or an Excluded Claim into particular affected or unaffected classes for the purpose of a Plan and, for greater certainty, the treatment of Claims, Excluded Claims or any other claims are to be subject to a Plan and the class or classes of creditors for voting and distribution purposes shall be subject to the terms of any proposed Plan or further order of the Court.

9. **THIS COURT ORDERS** that all Claims filed shall be denominated in the original currency of the Claim. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. Any Claims denominated in a foreign currency shall be converted to Canadian Dollars based on the Bank of Canada’s daily average exchange rate for that currency against the Canadian Dollar on the Filing Date.

MONITOR’S ROLE

10. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the Applicants in connection with the administration of the Claims Procedure, including the determination of Claims of the Claimants and the referral of a particular Claim to the Court, as

requested by the Applicants from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order or incidental thereto.

11. **THIS COURT ORDERS** that (i) in carrying out the terms of this Claims Procedure Order, the Monitor shall have all of the protections given it by the CCAA, the Initial Order, and this Claims Procedure Order, and as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Procedure Order, except to the extent that the Monitor has acted with gross negligence or willful misconduct, (iii) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except to the extent that the Monitor has acted with gross negligence or willful misconduct.

NOTICE TO CLAIMANTS

12. **THIS COURT ORDERS** that the Applicants shall provide to the Monitor a complete list of known potential Claimants, listed in the books and records of the Applicants (the "**Known Claimants**" and each a "**Known Claimant**") as at the date of this Claims Procedure Order, showing for each Known Claimant, their name, address and amount owed pursuant to the Applicants' books and records.

13. **THIS COURT ORDERS** that the Monitor shall send a Claims Package to each Known Claimant by ordinary mail or email to the last known mailing address or email address of the Known Claimant within five (5) Business Days following the issuance of the Claims Procedure Order.

14. **THIS COURT ORDERS** that the Monitor shall send the Claims Package by ordinary mail or email to the last known mailing address or email address of each Claimant with a Restructuring Claim that arose prior to the date of the Claims Procedure Order no later than five

(5) Business Days following the time the Monitor actually becomes aware of the existence of the Restructuring Claim.

15. **THIS COURT ORDERS** that as soon as practicable, but no later than 5:00 p.m. on May 14, 2020, the Monitor shall cause the Notice to Claimants to be published, for at least one (1) Business Day, in the Globe and Mail (National Edition).

16. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Claimants, the Claims Package and the Claims Procedure Order to be posted to the Monitor's Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Applicants.

17. **THIS COURT ORDERS** that upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

18. **THIS COURT ORDERS** that with respect to Restructuring Claims arising from the restructuring, disclaimer, resiliation or termination of any lease, contracts, or other agreement or obligation, on or after the date of the Claims Procedure Order, the Monitor shall send to the counterparty(ies) to such lease, contract or other agreement or obligation a Claims Package by ordinary mail or email to the last known mailing address or email address of the Claimant no later than five (5) Business Days following the time the Monitor actually becomes aware of the effective date of such restructuring, disclaimer, resiliation or termination of any lease, contract or other agreement or obligation.

19. **THIS COURT ORDERS** that the form and substance of each of the Notice to Claimants, Proof of Claim form, Instruction Letter, Notice of Revision or Disallowance and Notice of Dispute, substantially in the forms attached as schedules hereto, are hereby approved. Despite the foregoing, the Monitor may, from time to time, make such minor changes to such forms as the Monitor, in consultation with the Applicants, considers necessary or desirable.

PROOFS OF CLAIMS

20. **THIS COURT ORDERS** that any Person that wishes to assert a Pre-Filing Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim, including all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

21. **THIS COURT ORDERS** that any Person that wishes to assert a D&O Claim other than a D&O Restructuring Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

22. **THIS COURT ORDERS** that any Person that wishes to assert a Restructuring Claim must deliver to the Monitor on or before the Restructuring Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

23. **THIS COURT ORDERS** that any Person wishing to assert a Claim shall include any and all Claims it asserts against an Applicant or a Director or Officer of that Applicant in a single Proof of Claim.

24. **THIS COURT ORDERS** that any Person who does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, shall:

(a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceedings in respect of such Claim;

(b) with respect to a Pre-Filing Claim or a Restructuring Claim other than a D&O Restructuring Claim, be forever barred, estopped and enjoined from asserting or enforcing such Claim against any of the Applicants and the Applicants shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants or the Monitor;

(c) with respect to a D&O Claim, be forever barred, estopped and enjoined from asserting or enforcing such Claim against any of the Directors and Officers and the Directors and Officers shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants, the Monitor or the Directors or Officers;

(d) not be permitted to vote at any Meeting on account of such Claim; and

(e) not be permitted to participate in any distribution under any Plan related to such Claim or under these CCAA Proceedings.

ADJUDICATION OF CLAIMS

25. **THIS COURT ORDERS** that the Monitor and the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director, Officer and/or Directors' Counsel, if applicable) shall review all Proofs of Claim filed in accordance with this Claims Procedure Order, and at any time may:

(a) request additional information from a Claimant;

(b) request that a Claimant file a revised Proof of Claim;

(c) attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim;

(d) accept (in whole or in part), the amount and/or Status of any Claim and so notify the Claimant in writing; and

(e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Claimant in writing.

26. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor in accordance with this Claims Procedure Order, such Claim shall constitute such Claimant's

Proven Claim. The acceptance of any Claim or other determination of same in accordance with this Claims Procedure Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any Person, save and except in the context of the CCAA Proceedings.

27. **THIS COURT ORDERS** that where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Claimant a Notice of Revision or Disallowance, attaching the form of Notice of Dispute.

28. **THIS COURT ORDERS** that any Person who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 27 hereof shall deliver a Notice of Dispute to the Applicants in writing, with a copy to the Monitor, by 5:00 p.m. (Eastern Time) on the day that is not later than fourteen (14) days after such Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 39 of this Claims Procedure Order or such longer period as may be agreed to by the Monitor in writing. The receipt of a Notice of Dispute by the Monitor within the fourteen (14) day period specific in this paragraph shall constitute an application to have the amount and/or Status of such claim determined pursuant to the Claims Procedure as provided in this Claims Procedure Order.

29. **THIS COURT ORDERS** that if any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute in accordance with paragraph 28 of this Claims Procedure Order, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Claimant will be barred from disputing or appealing same, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

RESOLUTION OF CLAIMS

30. **THIS COURT ORDERS** that as soon as practicable after a Notice of Dispute is received by the Monitor in accordance with this Claims Procedure Order, the Monitor, in consultation with the Applicants, may attempt to resolve and settle the Claim with the Claimant.

31. **THIS COURT ORDERS** that in the event that a dispute raised in a Notice of Dispute is not settled within a reasonable time period or in a manner satisfactory to the Applicants, the

Monitor and the applicable Claimant, the Monitor, in consultation with the Applicants, shall either: (i) send a Dispute Package to a Claims Officer, or (ii) on notice to the disputing Claimant, schedule an appointment with the Court for the purpose of scheduling a motion to seek a determination by the Court of the disputed Claim, at which appointment directions will be sought from the Court on the process for such determination. For greater certainty, the foregoing includes any dispute arising as to whether a Claim or any portion thereof is or is not a Secured Claim or an Equity Claim.

32. **THIS COURT ORDERS** that the appointment of any Claims Officer to adjudicate a disputed Claim shall be subject to mutual agreement between the affected Claimant and the Applicants, in consultation with the Monitor and if such agreement is not possible, Court approval. Either the Applicants or the Monitor are hereby authorized to bring a motion to seek an order of the Court appointing a Claims Officer in respect of any and all disputed Claims. The Applicants shall pay the reasonable professional fees and disbursements of each Claims Officer on presentation and acceptance of invoices from time to time. Each Claims Officer shall be entitled to a reasonable retainer against his or her fees and disbursements which shall be paid upon request by the Applicants, with the consent of the Monitor.

33. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to determine the process in which evidence may be brought before him or her as well as any other procedural matters which may arise in respect of the determination of any Claim.

34. **THIS COURT ORDERS** that the Applicants or the Claimant may appeal the Claims Officer's determination to this Court by serving upon the other (with a copy to the Monitor) and filing with this Court, within ten (10) calendar days of notification of the Claims Officer's determination of such Claimant's Claim, a notice of motion returnable on a date to be fixed by this Court. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall be such Claimant's Proven Claim.

EXCLUDED CLAIMS

35. **THIS COURT ORDERS** that, for greater certainty, no Person holding an Excluded Claim shall be required to file a Proof of Claim in respect of such Excluded Claim, and such Person shall be unaffected by this Claims Procedure Order in respect of such Excluded Claim. The Applicants may apply to the Court for a further order to govern the identification, quantification and resolution of Excluded Claims, whether by way of amendments to this Claims Procedure Order or a supplemental claims procedure order, if at any time the Applicants consider it necessary or desirable to do so.

NOTICE OF TRANSFEREES

36. **THIS COURT ORDERS** that neither the Monitor nor the Applicants shall be obligated to give notice or otherwise deal with the transferee or assignee of a Claim unless and until actual notice of the transfer or assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment, shall have been received and acknowledged by the Applicants and the Monitor in writing. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the “Claimant” in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to the receipt and acknowledgment by the Applicants and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any right of set-off to which the Applicants may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants.

37. **THIS COURT ORDERS** that if a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Applicants and the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Applicants and the Monitor shall not, in each case, be

required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or in accordance with the provisions of this Claims Procedure Order.

SERVICE AND NOTICES

38. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Pre-Filing Claims Bar Date and Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

39. **THIS COURT ORDERS** that the Applicants and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver the Claims Package, and any letters, notices or other documents to the Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Claimant's Proof of Claim. Any such service and delivery shall deemed to have been received: (a) if sent by ordinary mail or registered mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

40. **THIS COURT ORDERS** that any notice or communication (including Proofs of Claim and Notices of Dispute) to be given under this Claims Procedure Order by any Person to the

Monitor or the Applicants shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by email, or if it cannot be given by email by prepaid registered mail, courier or personal delivery, addressed to:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust
100 Adelaide Street West, PO Box 1
Toronto, Ontario M5H 0B3

Attention: Alex Morrison and Karen Fung

Email: canntrust.monitor@ca.ey.com
Fax: 416-943-3300
Phone: 416-943-2091

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

41. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary or registered mail and then not received shall not, absent further order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.

42. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is later amended by further order of the Court, the Monitor shall post such further order on the Monitor's Website, and such posting shall constitute adequate notice to Claimants of such amended Claims Procedure.

MISCELLANEOUS

43. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Procedure Order, and without limitation to paragraph 35 of this Claims Procedure Order, the Monitor and

the Applicants may apply to this Court from time to time for directions from this Court with respect to this Claims Procedure Order, or for such further order or orders as any of them may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Procedure Order.

44. **THIS COURT ORDERS** that this Claims Procedure Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

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

46. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Claims Procedure Order and for assistance in carrying out the terms of this Claims Procedure Order.

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

MAY 1 1 2020 JP

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

SCHEDULE “A”

NOTICE TO CLAIMANTS

NOTICE TO CREDITORS
of CANNTRUST HOLDINGS INC., CANNTRUST INC.,
CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.
(hereinafter referred to as the "**Applicants**") **or THEIR FORMER and CURRENT DIRECTORS and OFFICERS** (hereinafter referred to as the "**Directors**" and "**Officers**")

NOTICE OF CLAIMS PROCESS FOR THE APPLICANTS PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

This notice is pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated May 8, 2020 (the "**Claims Procedure Order**"). Any person having a claim against an Applicant or a Director or Officer arising prior to March 31, 2020 (the "**Filing Date**"), other than an Excluded Claim (as defined in the Claims Procedure Order), must send a Proof of Claim to Ernst & Young Inc., in its capacity as the court-appointed Monitor of the Applicants, to be received **by no later than 5:00 p.m. (Eastern Time) on June 22, 2020** (the "**Pre-Filing Claims Bar Date**").

Proofs of Claim for claims arising out of the restructuring, disclaimer, repudiation, resiliation or termination by any of the Applicants after the Filing Date of any contract, lease, employment agreement or other agreement or obligation of any nature whatsoever, whether oral or written, must be received **by no later than 5:00 p.m. (Eastern Time) on the later of: (a) the Pre-Filing Claims Bar Date, and (b) the day which is 30 days after the date the Monitor sends a Claims Package with respect to such Claim** (the "**Restructuring Claims Bar Date**").

A separate Proof of Claim must be filed for claims against each of the Applicants and the applicable Directors and Officers. Claimants who have not received a Proof of Claim form should contact Ernst & Young Inc., the court-appointed Monitor of the Applicants, by telephone at 1-855-224-0800 or 416-943-2091, fax at 416-943-3300 or email at CannTrust.Monitor@ca.ey.com to obtain a Proof of Claim form or visit the Monitor's website www.ey.com/ca/canntrust.

CLAIMS FOR WHICH A PROPERLY COMPLETED PROOF OF CLAIM HAS NOT BEEN RECEIVED BY THE MONITOR BY THE APPLICABLE BAR DATE SPECIFIED HEREIN WILL BE BARRED AND EXTINGUISHED FOREVER.

SCHEDULE “B”

INSTRUCTION LETTER

GUIDE TO COMPLETING THE PROOF OF CLAIM

This guide has been prepared to assist Claimants in filling out the Proof of Claim. If you have any additional questions regarding completion of the Proof of Claim, please consult the Monitor's website at www.ey.com/ca/canntrust or contact the Monitor, whose contact information is shown below.

Additional copies of the Proof of Claim form may be found at the Monitor's website address noted above.

Please note that this is a guide only and that, in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on May 8, 2020, the terms of the Claims Procedure Order will govern.

A. **PARTICULARS OF CLAIMANT**

- The full legal name of the Claimant must be provided.
- If the Claimant uses a different name or names, please indicate this in a separate schedule in the supporting documentation.
- All future correspondence, notices, etc. regarding the Claim will be directed to the address and contact indicated in this section.
- If you are an individual, filing for yourself, you do not have to state your position or title.

B. **PARTICULARS OF ASSIGNEE(S)**

- Only complete this section if the Claim has been assigned by the original Claimant to a third party.
- Assignment documentation must be provided along with the Proof of Claim form.
- If there is more than one assignee, please attach a separate sheet with the required contact information for each of the assignees.

C. **PROOF OF CLAIM**

- A separate Proof of Claim form must be filed by each Claimant asserting a claim against any Applicant.
- The Claimant shall include any and all Claims it asserts against any Applicant in a single Proof of Claim.
- If you have Claims against multiple Applicants, a separate Proof of Claim must be filed for each Applicant.
- If you are making a claim against the Directors or Officers of an Applicant, please list the Director(s) or Officer(s) against which you assert your claim.
- Pre-Filing Claims and D&O Claims are claims that arise prior to March 31, 2020.
- Restructuring Claims against any Applicant or any Director or Officer are claims arising out of the restructuring, disclaimer, repudiation, resiliation or termination of any contract, lease, employment agreement or other agreement or obligation by any Applicant on or after March 31, 2020.
- Claims that are contingent or unliquidated should be valued. Please provide the basis for your valuation of the Claim, if applicable.
- Note that an Equity Claim against CannTrust Holdings Inc. is an Excluded Claim and therefore no Proof of Claim for such Excluded Equity Claim should be submitted as part of this Claims Procedure.
- Indicate the amount the Applicant / Director(s) or Officer(s) was, and still is, indebted to the Claimant

in the original currency of such Claim. If the original currency is not Canadian Dollars, indicate the currency of the Claim. Note that Claims in a foreign currency will be converted to Canadian Dollars using the Bank of Canada's daily average rate on the Filing Date.

- If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule providing the required information.

D. **NATURE OF CLAIM**

- The total Claim amount as indicated in section C should be separated into the portion that is unsecured and secured/priority.

Secured/Priority

- Check the Secured/Priority box ONLY if the Claim recorded on that line is secured. Do not check this box if your Claim is unsecured. NOTE: Most Claims in general are unsecured claims.
- Evidence supporting the security you hold must be submitted with the Proof of Claim form. Provide full particulars of the nature of the security, including the date on which the security was given and the value you attribute to the collateral securing your Claim.
- Attach a copy of all related security documents.
- If the value of the collateral securing your Claim is less than the amount of your Claim, enter the shortfall portion on a separate line as an unsecured claim.
- If a priority claim is being asserted, please provide details as to the priority claim being asserted, and the basis for this priority claim over secured creditors and all other unsecured creditors.

Directors and Officers

- Check this box only if the Claim you are making is also being asserted against a current or former Director or Officer of an Applicant.
- You must identify the individual Director(s) or Officer(s) against whom you are asserting the Claim.

E. **PARTICULARS OF CLAIM AND DOCUMENTATION**

- Attach to the Proof of Claim all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim and name of any guarantor which has guaranteed the Claim.

F. **FILING OF CLAIM**

- The person signing the Proof of Claim form should:
  - Have knowledge of all the circumstances connected with the Claim; and
  - Be the Claimant, or an Authorized Representative of the Claimant.
- By signing and submitting the Proof of Claim, the Claimant is asserting the claim against the Applicant and/or the indicated Director(s) or Officer(s).

Proofs of Claim for Pre-Filing Claims or D&O Claims must be received by the Monitor by no later than **5:00 p.m.** (Eastern Time) on **June 22, 2020** (the "**Pre-Filing Claims Bar Date**"). Proofs of Claim for Restructuring Claims must be received no later than 5:00 p.m. (Eastern Time) on the later of: (i) June 22, 2020; and (ii) 30 days after the Claimant is deemed to have received the Claims Package from the Monitor (the "**Restructuring Claims Bar Date**"). Proofs of Claim should be sent by email or, if not possible to send by email, by prepaid ordinary mail, courier, personal delivery or fax to the following address:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust Inc. & others

E-mail: CannTrust.Monitor@ca.ey.com
Fax: 416-943-3300
Address: 100 Adelaide Street, West, PO Box 1, Toronto ON M5H 0B3

If you have any questions you can contact us using the information above or call us at 1-855-224-0800 or 416-943-2091.

Failure to file your Proof of Claim as directed by **5:00 p.m.** (Eastern Time) on the applicable Claims Bar Date will result in your claim being barred and in you being prevented from making or enforcing a Claim against the Applicants or any Director or Officer. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

SCHEDULE "C"

PROOF OF CLAIM FORM

PROOF OF CLAIM
relating to CANNTRUST HOLDINGS INC., CANNTRUST INC.,
CTI HOLDINGS (OSOYOOS) INC., and ELMCLIFFE INVESTMENTS INC.
(hereinafter referred to as the "**Applicants**") or THEIR FORMER and CURRENT DIRECTORS and OFFICERS (hereinafter referred to as the "**Directors**" and "**Officers**")

A. PARTICULARS OF CLAIMANT

Full Legal Name of Claimant:

____(the "**Claimant**")

(Full legal name should be the name of the Claimant of the Applicants or the Directors or Officers as of March 31, 2020 (the "**Filing Date**"), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following that date.)

Attention (Contact Person): ____

Email Address:____

Telephone Number: ____________________ Fax Number____________________

Full Mailing Address of the Claimant (the Claimant as of March 31, 2020):

____

____

____

B. PARTICULARS OF ASSIGNEE(S) (IF ANY)

Has the Claim been sold or assigned by the Claimant to another party [check (√) one]?

Yes: ☐ No: ☐

(If Yes, you must include the details and documentation that support the assignment including if all or portion of the Claim has been assigned. If there is more than one assignee, please attach a separate sheet with the required contact information for each.)

Full Legal Name of Assignee(s) ____

Attention (Contact Person): ____

Email Address: ____

Telephone Number: ____________________ Fax Number____________________

Full Mailing Address of the Assignee:

____

____

C. PROOF OF CLAIM

I, ____
(name of Claimant or as a representative of the Claimant)

as ____ (state position or title, if applicable)

of ____ (city and province), do hereby certify:

a. that I [check (√) only if applicable]

am a Director of ☐ CannTrust Holding Inc., ☐ CannTrust Inc., ☐ CTI Holdings (OSOYOOS) Inc., and/or ☐ Elmcliffe Investment Inc. and a Claimant;

b. that I have knowledge of all the circumstances connected with the Claim referred to below;

c. the Claimant asserts its Claim against [check (√) one or both, as applicable]:

☐ ____ (Name of Applicant)

☐ Director(s) or Officer(s) of ______________________________(Name of Applicant)

Specifically,____

____

____

(If you are making a Claim against the Directors or Officers, please list the Director(s) or Officer(s) against which you assert your Claim); and

d. the Applicant/Director(s) was/were and still is/are indebted to the Creditor as follows:

i. PRE-FILING CLAIM arising prior to March 31, 2020:

$____ (amount and currency)

ii. RESTRUCTURING CLAIM:

$____ (amount and currency)

(A Restructuring Claim is a claim against any Applicant or any Director or Officer arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement on or after the Filing Date.)

iii. TOTAL CLAIM: $_________________________ (Total i. plus ii.)

D. NATURE OF CLAIM [Check (√) one and complete appropriate category]

☐ UNSECURED CLAIM OF $___________________________________ (amount and currency)

That in respect of this debt, I do not hold any security or claim any priority.

☐ SECURED CLAIM OR PRIORITY CLAIM OF $____________________(amount and currency)

That in respect of this debt, the Claimant holds security valued at $_________________________ (amount and currency), or claims a priority over other unsecured or secured creditors in the amount of $__________________ (amount and currency), particulars of which are attached.

If a secured claim is being asserted, please give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents. If a priority claim is being asserted, please provide details as to the priority claim being asserted, and the basis for this priority claim.

☐ CLAIM AGAINST THE DIRECTORS AND OFFICERS OF

$____ (amount and currency)

E. PARTICULARS OF CLAIM AND DOCUMENTATION

Other than as already set out herein, the particulars of the undersigned's total Claim are attached.

Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by any Applicant or any Director or Officer to the Claimant and estimated value of such security, and particulars of any Restructuring Claim.

This Proof of Claim must be received by the Monitor by no later than **5:00 p.m.** (Eastern Time) on the applicable Claims Bar Date specified in the Claims Procedure Order. The Claims Bar Date applicable to Pre-Filing Claims and D&O Claims is **June 22, 2020** (the "**Pre-Filing Claims Bar Date**"). The Claims Bar Date applicable to Restructuring Claims is 5:00 p.m. (Eastern Time) on the later of (i) June 22, 2020, and (ii) the day which is 30 days after the date the Monitor sends a Claims Package with respect to such Claim (the "**Restructuring Claims Bar Date**"). Proofs of Claim should be sent by email or, if not possible to send by email, by prepaid ordinary mail, courier, personal delivery or fax to the following address:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust Inc. & others

E-mail: CannTrust.Monitor@ca.ey.com
Fax: 416-943-3300
Address: 100 Adelaide Street, West, PO Box 1, Toronto ON M5H 0B3

If you have any questions you can contact us using the information above or call us at 1-855-224-0800 or 416-943-2091.

F. FILING OF CLAIM

Failure to file your proof of claim as directed by **5:00 p.m.** (Eastern Time), on the applicable Claims Bar Date will result in your claim being barred and in you being prevented from making or enforcing a Claim against the Applicants or any Director or Officer. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

Dated at_________________ this _________day of ______________, 2020.

____

Signature of Claimant /Representative of Claimant

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE

NOTICE OF REVISION OR DISALLOWANCE
of CANNTRUST HOLDINGS INC., CANNTRUST INC.,
CTI HOLDINGS (OSOYOOS) INC., and ELMCLIFFE INVESTMENTS INC.
(hereinafter referred to as the "**Applicants**" or individually as the "**Applicant**") or
THEIR FORMER and CURRENT DIRECTORS and OFFICERS (hereinafter referred to as the "**Directors**" and "**Officers**")

To: [Name of Claimant] **Reference #: [ID]**

Re: Proof of Claim filed by you against [Applicant(s) and/or Director(s) or Officer(s)]

Pursuant to the order of the Honourable Mr. Justice Hainey dated May 8, 2020, Ernst & Young Inc. in its capacity as Monitor of the Applicants, hereby gives you notice that the Applicants have reviewed your Proof of Claim and has revised or disallowed all or part of your Claim as follows:

Type of Claim	Amount as Submitted ($CDN)	Amount allowed ($CDN)	Amount allowed as secured ($CDN)	Amount allowed as unsecured ($CDN)
Pre-Filing Claim				
D&O Claim				
Restructuring Claim				

Reason for the Revision or Disallowance:

Next Steps:

If you do not agree with this Notice of Revision or Disallowance please take notice of the following:

1. If you intend to dispute a Notice of Revision or Disallowance, you must, by no later than **5:00 p.m. (Eastern Time) on the day which is fourteen (14) days after the date of this Notice of Revision or Disallowance**, deliver a Notice of Dispute, in the form attached hereto, by e-mail (in PDF format) (*preferred*), registered mail, personal service, facsimile or courier to the address indicated herein. The form of Notice of Dispute is enclosed.

2. If you do not deliver a Notice of Dispute in the time specified, the value of your Pre-Filing Claim, D&O Claim or Restructuring Claim, as the case may be, shall be determined to be as set out in this Notice of Revision or Disallowance.

Address and numbers for service of Notice of Dispute:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust Inc. & others
E-mail: CannTrust.Monitor@ca.ey.com

Fax: 416-943-3300
Address: 100 Adelaide Street, West, PO Box 1, Toronto ON M5H 0B3

If you have any questions you can contact us using the information above or call us at 1-855-224-0800 or 416-943-2091.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

Dated at Toronto this [DATE].

ERNST & YOUNG INC.

In its capacity as Court-Appointed Monitor of CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., and ELMCLIFFE INVESTMENTS INC.

Per: ______________________________

Name:
Encl.

SCHEDULE “E”

NOTICE OF DISPUTE

NOTICE OF DISPUTE
of CANNTRUST HOLDINGS INC., CANNTRUST INC.,
CTI HOLDINGS (OSOYOOS) INC., and ELMCLIFFE INVESTMENTS INC.
(hereinafter referred to as the "**Applicants**" or individually as the "**Applicant**") or
THEIR FORMER and CURRENT DIRECTORS and OFFICERS (hereinafter referred to as the "**Directors**" and "**Officers**")

Name of Creditor:

Pursuant to the order of the Honourable Mr. Justice Hainey dated May 8, 2020, I/we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number **[ID]** and dated [**DATE**] issued by Ernst & Young Inc. in its capacity as Monitor of the Applicants in respect of our Claim.

Reasons for Dispute:

Include the amount you are disputing and where applicable, any dispute against the revision of your status (unsecured, secured, or priority). Attach copies of all supporting documentation and additional sheets, if necessary:

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____

Signature of Individual completed the Dispute Notice: ______________________________

(Please print name): ____

Date: ____________________ Email Address: ________________________________

Telephone Number: ______________________Fax Number: ______________________

Full Mailing Address:____

____

THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY REGISTERED MAIL, PERSONAL SERVICE, E-MAIL (IN PDF FORMAT), FACSIMILE OR COURIER TO THE ADDRESS INDICATED HEREIN AND TO BE RECEIVED BY NO LATER THAN 5:00 P.M. (EASTERN TIME) ON THE DAY WHICH IS FOURTEEN (14) DAYS AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE.

Address and numbers for service of Notices of Dispute:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust Inc. & others

E-mail: CannTrust.Monitor@ca.ey.com
Fax: 416-943-3300
Address: 100 Adelaide Street, West, PO Box 1, Toronto ON M5H 0B3

If you have any questions you can contact us using the information above or call us at 1-855-224-0800 or 416-943-2091.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

CLAIMS PROCEDURE ORDER

McCarthy Tétrault LLP
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Toronto ON M5K 1E6
Fax: 416-868-0673

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Tel: 416-601-7539
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Trevor Courtis LSO#: 67715A
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Email: tcourtis@mccarthy.ca

Lawyers for the Applicants
DOC#: 20327494

This is Exhibit "**C**" referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 2nd
	)	
MR. JUSTICE HAINEY	)	DAY OF JULY, 2020

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

ORDER
(re: Stay Extension)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order extending the stay of proceedings up to and including October 30, 2020; and (ii) approving the fees and disbursements of Ernst & Young Inc., in its capacity as court-appointed monitor (the "**Monitor**") and its counsel, was heard this day by way of Zoom judicial video conference due to the COVID-19 crisis.

ON READING the affidavit of Greg Guyatt sworn June 25, 2020 and the exhibits thereto and the Third Report of the Monitor dated June 29, 2020 (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, Ernst & Young in its capacity as the court-appointed Monitor of the Applicants, and those other parties that were present as listed on the counsel slip, and on being advised that all parties on the service list maintained in these proceedings were served with the motion record of the Applicants and the Third Report:

EXTENSION OF STAY PERIOD

1. **THIS COURT ORDERS** that the Stay Period provided in the Initial Order dated March 31, 2020 in these proceedings, as amended, be and is hereby extended until and including October 30, 2020 or such later date as this Court may order.

APPROVAL OF THE FIRST, SECOND, AND THIRD REPORTS

2. **THIS COURT ORDERS** that the first report of the Monitor, dated March 31, 2020 (the "**First Report**"), the second report of the Monitor, dated May 4, 2020 (the "**Second Report**"), and the Third Report (together, the "**Monitor's Reports**") are hereby approved, and the actions and activities of the Monitor described in the Monitor's Reports are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

FEE APPROVAL

3. **THIS COURT ORDERS** that the fees and disbursements of the Monitor in the amount of $290,822.52 (exclusive of HST) for the period from March 17, 2020 to June 12, 2020 inclusive, as set out in the Third Report, are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, in its capacity as counsel to the Monitor, in the amount of $168,493.82 (exclusive of HST) for the period from February 14, 2020 to June 28, 2020 inclusive, as set out in the Third Report, are hereby approved.

GENERAL

5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

6. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

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

8. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

Hainey J.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(STAY EXTENSION)

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Alexander Steele LSO#: 475719P
Tel: 416-601-8370
Email: asteele@mccarthy.ca
Lawyers for the Applicants

This is Exhibit "**D**" referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

CannTrust Licenses Reinstated for Vaughan Manufacturing Facility

NEWS PROVIDED BY
CannTrust Holdings Inc. →
Aug 06, 2020, 07:15 ET

Company Expects Products to be Available in Q4 2020

VAUGHAN, ON, Aug. 6, 2020 /CNW/ - CannTrust Holdings Inc. ("CannTrust" or the "Company") announced today that it has received notice from Health Canada that the Company's licenses for its Vaughan Manufacturing Facility (the "Vaughan facility") have been reinstated, effective immediately.

Over the past 12 months, CannTrust has been working diligently to resolve regulatory deficiencies within its business. On May 29, 2020, the Company confirmed it had received notice of license reinstatement for its Fenwick Perpetual Harvest Facility and immediately recommenced cultivation operations at this location, which are proceeding as planned.

"Our license reinstatement is the result of an enormous amount of hard work by the CannTrust team," said Greg Guyatt, Chief Executive Officer at CannTrust. "Today marks the beginning of the next chapter in CannTrust's history. We have used the last 12 months to improve every aspect of our business, placing a determined focus on regulatory compliance as we remediated, restructured, and evolved. We are excited to return to work with our partners to provide our consumers and patients with high-quality cannabis products."

CannTrust will restart manufacturing operations at its Vaughan facility imminently. With all licenses now reinstated, the Company expects to have cannabis products available during the fourth quarter of 2020.

"CannTrust has undergone significant organizational and operational changes as part of our remediation activities," said Dr. Ilana Platt, the Company's Chief Regulatory Officer. "Regulatory compliance, risk management, and effective oversight are integral to everything we do."

CannTrust remains under CCAA protection to facilitate the Company's efforts to resolve its civil litigation exposures and complete its review of strategic alternatives. These efforts are ongoing, and the Company is unable to predict either their timing or their outcome. In the meantime, the Company remains without meaningful revenues and has terminated or laid-off a significant portion of its workforce. CannTrust plans to begin operations at its Vaughan facility immediately following today's announcement as an important next step towards rebuilding stakeholder trust and delivering high-quality, innovative products to its patients and customers.

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian Securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to the planned restart of manufacturing operations and the expectation that CannTrust's cannabis product will be available in the Canadian medical and recreational markets in Q4 2020. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the outcome of the Company's contingent liabilities; the impact of potential regulatory investigations; the Company's review of strategic alternatives; risks associated with general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments in Canada, the United States and elsewhere; the cannabis industry in Canada generally; the ability of CannTrust to effectively resume its cannabis growing, process and packaging operations, the ability of CannTrust to implement its business strategies, and the potential impact of the COVID-19 pandemic on CannTrust's customers and patients, the financial viability of the Company, and general economic conditions.

Any forward-looking information and statements reflect management's current beliefs, are based on information currently available to management and, except as required by law, CannTrust does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for CannTrust to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in CannTrust's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit to CannTrust's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that CannTrust remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company has determined not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE CannTrust Holdings Inc.

For further information: Media Relations: media@canntrust.ca; Investor Relations: investor@canntrust.ca

Related Links

https://www.canntrust.ca/

This is Exhibit "**E**" referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

CITATION: Rosen v. CannTrust, 2020 ONSC 4190
DIV COURT FILE NO.: 72/20
DATE: 20200707

SUPERIOR COURT OF JUSTICE - DIVISIONAL COURT - ONTARIO

RE: Rosen v. CannTrust

BEFORE: D.L. Corbett J.

COUNSEL: *Doug Worndl, Ron Polodny, Joel Rochon and Peter Jervis*, for the Moving Parties

Scott Hutchison and David R. Wingfield, for the Responding Consortium

CASE MANAGEMENT ENDORSEMENT

[1] This endorsement reflects a case management conference conducted by teleconference on July 3, 2020. The moving party wishes to seek leave to appeal a decision of Hainey J. dated January 28, 2020 (2020 ONSC 579), appointing the responding consortium as carriage counsel in a proposed securities class proceeding. One of the defendants in the class proceeding, CannTrust Holdings Inc., was the subject of an initial order made under the *Companies' Creditors Arrangement Act* by Hainey J. on March 31, 2020, and a mediation before the Honourable Dennis O'Connor in the *CCAA* proceedings is pending shortly.

[2] The moving party wishes to proceed with the motion for leave to appeal with all reasonable dispatch. The responding party objects to the motion proceeding on the basis that the order of Hainey J. stays all proceedings involving CannTrust, including the class proceeding. Leave to proceed must be obtained from Hainey J., they argue, before the motion for leave to appeal can proceed.

[3] If the motion for leave to appeal is not stayed by the order of Hainey J., then it should proceed with reasonable dispatch. The materials for the motion materials were completed by March 27, 2020 and all that remains is to put the motion before a panel of this court for decision, which could be forthwith. If the motion has stayed by the order of Hainey J., then of course the motion cannot proceed unless leave to proceed with the motion is obtained.

[4] In my view, the motion for leave to appeal is properly commenced in this court, and it is for the responding party to move for a decision that the motion has been stayed. The responding party shall serve its motion materials to this effect by July 7, 2020. The moving party's responding materials on this issue shall be served by July 10, 2020. The motion on the stay issue shall proceed before a single judge of the Divisional Court on July 14, 2020, by ZOOM teleconference.

[5] Counsel shall establish a password-protected download-only electronic drop box from which all materials for the stay motion may be downloaded and shall provide the court with the URL and password by July 10, 2020.

(a) All documents shall be uploaded to the drop box in pdf format.

(b) Documents should be labelled in a manner that identifies them clearly for the court so that it is not necessary to open the document to understand what it is. Pages should be numbered sequentially within each pdf. If this is not practical, given the current state of the documents, then individual documents should be uploaded to the drop box in pdf form, so that each document is clearly labelled, enabling the court to find documents quickly during the course of the hearing.

(c) Where possible, factums should contain hyperlinks for authorities.

(d) Books of authorities containing the full text of authorities should not be uploaded to the drop box. However, citations to cases in the factums are to provide, if possible, a hyperlink to the CanLII version of cases. The only exceptions to this principle are authorities not available on CanLII, such as excerpts from textbooks, foreign law, or Canadian decisions not reported on CanLII: these should be collected in a small brief of unreported authorities and filed electronically.

(e) The parties shall file their agreement on the disposition of costs, or, if the parties have not agreed as to costs, then each party shall file its bill of costs and costs outline and any brief supporting materials relied upon in respect to costs.

(f) The parties shall file counsel sheets setting out the names of all counsel appearing on the record in the appeal, and indicating the time estimate for each counsel making oral submissions to the court.

(g) All parties are permitted to (but are not required to) file a compendium for oral argument in addition to documents permitted under the Rules.

[6] The court has endorsed its fiat on this endorsement this day; the unsigned version distributed to the parties today has the authority and effect of the signed version, a copy of which will be provided to the parties in due course after the suspension of ordinary court operations is lifted.

[7] Finally, the respondent consortium asked this court to decide the stay issue on the basis of correspondence provided to the court in advance of the case management teleconference. It must be recalled that there is no opportunity to file evidence before this court on a case management teleconference.

[8] The court will not decide seriously contested issues without (a) a proper evidentiary record; and (b) factums. Case management is not a surrogate for the basic requirements of notice, evidence and argument before decision. And, to be clear, parties are not permitted to file

these sorts of materials for return of a motion at a case management conference without prior permission from the court.

[9] The court proposed that the stay issue be addressed at the same time as the motion for leave to appeal, but consensus could not be reached on this approach. While I am not convinced that two appearances should be required, I accept that on a stay motion the parties are entitled to be heard orally, and that would not happen if the issue was decided by the leave panel – therefore I scheduled the stay motion before a single judge prior to scheduling the motion for leave to appeal.

[10] This endorsement is effective as of July 3, 2020 (its operative terms having been provided to counsel orally that day). A signed copy of the endorsement will be transmitted to counsel in due course.

D.L. Corbett J.

Date: July 7, 2020

This is Exhibit "**F**" referred to in the

affidavit of **Greg Guyatt** sworn before

me this 21st day of October, 2020

A Commissioner for taking affidavits

CITATION: Rosen v. Canntrust Holdings Inc.
Earle v. Canntrust Holdings Inc.
DIVISIONAL COURT FILE NO.: 72/20
COURT FILE NO.: 19-0006-251181-00CP
DATE: 20200714

SUPERIOR COURT OF JUSTICE – ONTARIO
DIVISIONAL COURT

RE: STEPHEN ROSEN, Plaintiff

AND:

CANNTRUST HOLDINGS INC., et al. Defendants

AND RE:

WENDY EARLE, et al. Plaintiffs

AND:

CANNTRUST HOLDINGS INC., et al. Defendants

BEFORE: Penny J.

COUNSEL: *S. Hutchison and S. Kalloghlian*, for the Moving Parties (Earle Plaintiffs)

P Jervis and R. Podolny, for the Responding Parties (Rosen Plaintiffs)

T. Courtis for Canntrust Holdings Inc.

K. Esaw for the Monitor of Canntrust Holdings Inc.

HEARD by Zoom conference due to COVID-19: July 14, 2020

ENDORSEMENT

[1] This is a motion for directions arising out of the intersection of class actions brought by two groups of plaintiffs and an application under the *Companies' Creditors Arrangement Act* brought by the defendant in those class proceedings, Canntrust.

[2] In essence, there is a motion pending before the Divisional Court for leave to appeal the carriage order of Hainey J. in the class proceedings. After that motion was filed, Canntrust applied for an Initial Order under the CCAA. As it happens, that order was also made by Hainey J.

[3] Paras. 18 and 19 of the Initial Order stay all proceedings against Canntrust. The Rosen plaintiffs, who lost the carriage motion before Hainey J. and brought the motion for leave to appeal, wish to proceed with their motion and their appeal before the Divisional Court. They say the CCAA stay does not apply to a carriage motion or to their appeal.

[4] The Earle plaintiffs argue that the leave motion is caught by the stay and that the Rosen plaintiffs must obtain an order in the CCAA proceedings lifting the stay for the limited purpose of proceeding with the motion for leave to appeal. Their position is supported by Canntrust and the Monitor.

[5] In my view, the language of paras. 18 and 19 of the Initial Order is broad and captures the pending motion for leave to appeal. The motion for leave and the appeal, if leave were granted, constitute a process, step or other right and remedy under or relating to a class proceeding within the meaning of para 18. These actions also involve the continuation of a proceeding against or in respect of a defendant, Canntrust, in the pending class proceedings within the meaning of para. 19.

[6] This interpretation of paras. 18 and 19 of the Initial Order is also consistent with, indeed necessary for, the underlying single control or single proceeding model in which all claims are managed within one CCAA proceeding. This single proceeding approach maximizes the opportunity to serve the best interests of all stakeholders in a significant insolvency.

[7] Most of the Rosen plaintiffs' other arguments go to the merits of whether an order lifting the stay ought to be granted, which is not for me to decide.

[8] Accordingly, the Rosen plaintiffs must seek an order in the CCAA proceedings lifting the stay for the limited purpose of proceeding with their leave motion and, if granted, their appeal on the carriage issue.

[9] My endorsement is in no way a comment on whether the stay should or should not be lifted. That is for the Court with responsibility for managing the CCAA proceedings to decide.

[10] To the extent there is some concern about the propriety of Hainey J., who made the carriage order being appealed from, deciding the question of whether the stay should be lifted to allow the Rosen plaintiffs' appeal process to go forward, this can be reviewed with Hainey J. and, if appropriate, arrangements made for a different judge of the Commercial List to hear that motion.

[11] The parties agree there should be no order as to costs.

Penny J.

Penny J.

Date: July 14, 2020

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF GREG GUYATT
(Sworn October 21st, 2020)

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James Gage LSO#: 34676I
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Paul Steep LSO#: 21869L
Tel: 416-601-7998
Email: psteep@mccarthy.ca

Trevor Courtis LSO#: 67715A
Tel: 416-601-7643
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Alexander Steele LSO#: 75719P
Tel: 416-601-8370
Email: asteele@mccarthy.ca

Lawyers for the Applicants

DOC#: 20492915

TAB 3

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 28th
	)	
MR. JUSTICE HAINEY	)	DAY OF OCTOBER, 2020

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

ORDER
(re: Stay Extension and Late Claims)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order (i) extending the stay of proceedings up to and including January 31, 2021, (ii) approving the activities, fees and disbursements of Ernst & Young Inc. in its capacity as court-appointed monitor of the Applicants (the "**Monitor**") and its counsel; and (iii) authorizing the Monitor to accept certain Late Claims (as defined below) was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the affidavit of Greg Guyatt sworn October 21, 2020 and the exhibits thereto and the Fifth Report of the Monitor dated October ●, 2020 (the "**Fifth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and those other parties that were present as listed on the counsel slip, and on being advised that all parties on the service list maintained in these proceedings were served with the motion record of the Applicants and the Fifth Report:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Fifth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that all capitalized terms used but not defined herein shall have the meanings given to them in the Claims Procedure Order dated May 8, 2020 (the "**Claims Procedure Order**").

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period provided in the Initial Order dated March 31, 2020 in these proceedings, as amended, be and is hereby extended until and including January 31, 2021 or such later date as this Court may order.

LATE CLAIM ACCEPTANCE

4. **THIS COURT ORDERS** that the Monitor is authorized, in its discretion, to accept the Proofs of Claim identified in the Fifth Report as having been received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable ("**Late Claims**"), which late Claims shall be reviewed by the Monitor in accordance with the Claims Procedure Order for the purposes of determining whether such Late Claims are Proven Claims.

APPROVAL OF THE FOURTH AND FIFTH REPORTS

5. **THIS COURT ORDERS** that the fourth report of the Monitor, dated September 15, 2020 (the "**Fourth Report**"), and the Fifth Report (together, the "**Monitor's Reports**") are hereby approved, and the actions and activities of the Monitor described in the Monitor's Reports are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

FEE APPROVAL

6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor in the amount of $370,284.77 (exclusive of HST) for the period from June 13, 2020 to October 9, 2020 inclusive, as set out in the Fifth Report, are hereby approved.

7. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, in its capacity as counsel to the Monitor, in the amount of $163,331.81 (exclusive of HST) for the period from June 29, 2020 to October 9, 2020 inclusive, as set out in the Fifth Report, are hereby approved.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

9. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

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

11. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Re: Stay Extension and Late Claims)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC. ET AL.

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