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
(Meeting Order)
(Returnable March 19, 2021)

March 5, 2021

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H. Exhibit “H” – Affidavit of Greg Guyatt, sworn June 25, 2020 (without exhibits)

I. Exhibit “I” – Restructuring Support Agreement dated January 19, 2021

J. Exhibit “J” – Press Release dated January 20, 2021

K. Exhibit “K” – CCAA Representation Order dated January 29, 2021

L. Exhibit “L” – Notice of CCAA Representation Order in *The Globe and Mail (National Edition)* – February 3, 2021

M. Exhibit “M” – Notice of CCAA Representation Order in Wall Street Journal – February 3, 2021

N. Exhibit “N” – Press Release dated January 29, 2021

O. Exhibit “O” – Information Statement

P. Exhibit “P” – Notice of Meetings and Sanction Hearing

Q. Exhibit “Q” – Notice to Securities Claimants

3. Draft Meeting Order

Tab 1

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

Applicants

NOTICE OF MOTION
(Meeting Order)
(Returnable March 19, 2021)

The Applicants will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on March 19, 2021 at 10:30 a.m., 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 pandemic. 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 Trevor Courtis at tcourtis@mccarthy.ca.

THE MOTION IS FOR:

1. An order (the "**Meeting Order**") substantially in the form of the draft order included at Tab 3 of the Motion Record of the Applicants, among other things:

   (a) accepting the filing of the plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") under the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) to be dated March 19, 2021 (the "**CCAA Plan**") with the Court;

   (b) authorizing and directing the CannTrust Plan Companies to call, hold and conduct meetings of their creditors to vote on the CCAA Plan;

(c) approving, pursuant to section 22 of the CCAA, the classification of creditors set out in the CCAA Plan for the purposes of the meetings and voting on the CCAA Plan;

(d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the meetings;

(e) approving the procedures to be followed at the meetings, including voting procedures;

(f) setting a date for the hearing (the "**Sanction Hearing**") of the Applicants' motion for an order approving the CCAA Plan (the "**Sanction Order**");

(g) extending the Stay Period (as defined in the Initial Order) until and including the date of the Sanction Hearing; and

(h) authorizing Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") to accept certain Late Claims (as defined below).

2. Such further and other relief as counsel may request and this Court will allow.

THE GROUNDS FOR THE MOTION ARE:

3. All capitalized terms used but not defined herein have the meanings given to them in the CCAA Plan or the affidavit of Greg Guyatt, sworn March 5, 2021. For ease of reference, the Applicants will be collectively referred to herein as "**CannTrust Group**".

Background

4. The CannTrust Group 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.

5. Following regulatory audits of its facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws (the "**Health Canada Audits**"). Following the Health Canada Audits, among other things, shipments of all of the CannTrust Group's cannabis products were stopped, its cannabis licences were partially suspended and multiple putative securities class actions and other actions were commenced against CannTrust Holdings Inc. ("**CannTrust Holdings**") and others in several provinces in Canada and at the federal and state level in the United States (the "**Actions**").

6. In the second half of 2019 and the first quarter of 2020, the CannTrust Group undertook extensive efforts to address these challenges. However, despite these efforts, the situation facing the CannTrust Group by the end of March 2020 was still highly uncertain and the CannTrust Group determined that it was in the best interests of the CannTrust Group and its stakeholders to commence proceedings pursuant to the CCAA (the "**CCAA Proceedings**") to obtain the breathing space necessary to, among other things:

(a) complete the remediation of its facilities and obtain the reinstatement of its cannabis licences;

(b) right-size its business to better reflect its current and anticipated operational footprint;

(c) restore cultivation and processing operations and return to the recreational and medical cannabis markets upon the reinstatement of its licences;

(d) facilitate the continuation of the board of directors' review of strategic alternatives, including any potential sale of or other strategic transaction involving the CannTrust Group, and

(e) explore a global resolution of the Actions and address the other claims and contingent claims against the CannTrust Group in a single forum.

CCAA Proceedings

7. On March 31, 2020, the CannTrust Group obtained an initial order pursuant to the CCAA (as amended and restated, the "**Initial Order**") which included, among other things, a stay of proceedings until April 9, 2020 (the "**Stay Period**").

8. On April 9, 2020, the CannTrust Group obtained an order amending and restating the Initial Order to, among other things, extend the Stay Period to July 5, 2020. On July 2, 2020, October 28, 2020 and January 29, 2021, the CannTrust Group obtained further orders extending the Stay Period, which currently runs until and including April 30, 2021.

9. Since commencing the CCAA Proceedings, the CannTrust Group has completed each of its business restructuring objectives. Specifically, the CannTrust Group completed the remainder of its remediation work, obtained the reinstatement of its cannabis licences, resumed production and processing operations and returned to the recreational and medical cannabis markets.

10. The CannTrust Group obtained the appointment of the Honourable Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to conduct a mediation process between CannTrust Holdings, plaintiffs and representative plaintiffs in the Actions, Co-Defendants and Insurers with a view to reaching a resolution of some or all of the Securities Claims and related claims between the various parties.

11. As a result of the extensive negotiations facilitated by the Court-Appointed Mediator, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action and the U.S. Class Action and their counsel regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims (the "**RSA**").

CCAA Plan

12. The CCAA Plan implements this framework for the settlement of all Securities Claims and addresses the other claims and contingent claims against the CannTrust Plan Companies.

13. The CCAA Plan will compromise and release certain liabilities of the CannTrust Plan Companies, including all of the CannTrust Plan Companies' liabilities in connection with the Actions, and allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern with a stronger, more efficient business which the CannTrust Plan Companies believe will be highly competitive in the Canadian cannabis market.

14. The CannTrust Group believes that the CCAA Plan fairly balances the interests of all stakeholders.

15. The CannTrust Plan Companies believe that the CCAA Plan is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern as:

(a) the CannTrust Plan Companies carried out a robust marketing and solicitation process approved by the Court which did not result in any executable proposals for a recapitalization or sale transaction; and

(b) the CannTrust Plan Companies have limited remaining cash in excess of the $50 million needed to fund the proposed settlement, and their ability to obtain further financing is dependent on a clear path being provided toward a successful restructuring and exit from these CCAA Proceedings.

16. The CannTrust Plan Companies are not presently seeking court approval of the CCAA Plan. Rather, the CannTrust Plan Companies are seeking to file the CCAA Plan with the Court and to bring the CCAA Plan before the Affected Creditors to vote upon it at the proposed Meetings.

Classification of Creditors

17. The CCAA Plan provides for, and the proposed Meeting Order approves, the following four classes of Affected Creditors for the purposes of considering and voting on the resolution to approve the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims (Opco) (the "**Opco GUC Class**");

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe) (the "**Elmcliffe GUC Class**");

(c) a class of Creditors holding General Unsecured Claims (CannTrust Holdings) (the "**CannTrust Holdings GUC Class**" and collectively with the Opco GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**"); and

(d) a class of Creditors holding Securities Claims (the "**Securities Claimant Class**").

18. The CannTrust Group believes that the classification of Affected Creditors into four classes, as contemplated in the Meeting Order and the CCAA Plan, is fair and reasonable having regard to the creditors' legal interests, the remedies available to them, the consideration offered to them under the CCAA Plan and the extent to which they would recover their claims by exercising those remedies.

The Meetings

19. The Meeting Order contemplates that meetings of each of the GUC Classes and the Securities Claimant Class will be held on April 30, 2021 (the "**Meetings**") by videoconference due to the COVID-19 pandemic.

20. The processes for providing notice of the Meetings, and the procedures for the Meetings, including the voting procedures, set out in the Meeting Order are reasonable and appropriate in the circumstances.

21. The Meeting Order provides a process for Securities Claims to be proven and proxies to be filed solely for the purposes of voting on the CCAA Plan at the Securities Claimant Meeting. This process will provide all Securities Claimants with an opportunity to prove their Securities Claims for voting purposes and vote on the CCAA Plan, either on their own behalf should they choose to do so, and otherwise it authorizes the CCAA Representatives and CCAA Representative Counsel to exercise these rights on behalf of all Securities Claimants should they not choose to do so themselves.

Sanction Hearing

22. If the CCAA Plan is approved by the Affected Creditors at the Meetings in accordance with the Meeting Order, the CannTrust Plan Companies will seek the CCAA Sanction Order from the Court on May 14, 2021 or such later date as the Court may set.

Extension of the Stay Period

23. The CannTrust Group is seeking a short extension of the Stay Period to the date of the Sanction Hearing.

24. The short proposed extension of the Stay Period is necessary and appropriate as: (i) the CannTrust Group has continued to act in good faith and with due diligence; (ii) the CannTrust Group is expected to have sufficient liquidity to operate throughout the short proposed extension of the Stay Period; and (iii) it will prevent the CannTrust Group having to bring a separate motion to extend the Stay Period in advance of April 30, 2021, which would be an inefficient use of the resources of the CannTrust Group and the Court.

Further Late Claims

25. The CannTrust Group is requesting that the Court authorize the Monitor, in its discretion, to accept the late filing of (2) additional Proofs of Claim with an aggregate asserted value of approximately $4,000 (the "**Further Late Claims**"). Each of the Claimants has provided a reasonable basis for the late filing. The CannTrust Group and the Monitor will review the Further Late Claims in accordance with the Claims

Procedure Order for the purposes of determining whether such Further Late Claims should be accepted, revised, or disallowed, in whole or in part.

26. Accordingly, the relief requested in the Meeting Order is in the best interests of the CannTrust Group and its stakeholders, is appropriate in the circumstances and should be granted by the Court.

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

(a) the affidavit of Greg Guyatt, sworn March 5, 2021;

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

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

March 5, 2021

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TO: SERVICE LIST

SCHEDULE "A"

Conference Details to join Motion via Zoom

Topic: CannTrust Holdings Inc. (Court File No. CV-20-00638930-00CL)

Time: March 19, 2021 10:30 AM Eastern Time (US and Canada)

Meeting Link: https://zoom.us/j/94500856960

Meeting ID: 945 0085 6960

Find your local number: https://zoom.us/u/adon3IdkX9

Material for this hearing can be accessed from the 'sync.com' folder here:

https://ln2.sync.com/dl/0746530a0/6h3pv8d2-uzvnmxkk-x23hhv3i-wewv4b2s

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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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Meeting Order)
(Returnable March 19, 2021)

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MT DOCS 21310632

Tab 2

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

ONTARIO
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Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn March 5, 2021)

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Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn March 5, 2021)

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

I. OVERVIEW

(i) Circumstances Leading to the CCAA Proceedings

4. The CannTrust Group 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 the CannTrust Group's facilities in June and July 2019 (the "**Health Canada Audits**"), Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws.

5. Following the Health Canada Audits, among other things, shipments of all the CannTrust Group's cannabis products were stopped, its cannabis licences were partially suspended and multiple putative securities class actions were commenced against the CannTrust Group in several provinces in Canada and at the federal and state level in the United States (as detailed further herein, the "**Actions**").

6. In the second half of 2019 and the first quarter of 2020, the CannTrust Group undertook extensive efforts to address these challenges. However, despite these efforts, the situation facing the CannTrust Group by the end of March 2020 was still highly uncertain and the CannTrust Group determined that it was in the best interests of the CannTrust Group and its stakeholders to commence proceedings pursuant to the CCAA to obtain the breathing

space necessary to, among other things:

(a) complete the remainder of its remediation plan and obtain the reinstatement of its licences;

(b) right-size its business to better reflect its current and anticipated operational footprint;

(c) restore cultivation and processing operations and return to the recreational and medical cannabis market upon the reinstatement of its licences;

(d) facilitate the continuation of the Board of Directors' review of strategic alternatives, including any potential sale of or other strategic transaction involving the CannTrust Group; and

(e) explore a global resolution of the Actions and address the other claims and contingent claims against the CannTrust Group in a single forum.

(ii) CCAA Proceedings

7. The CannTrust Group commenced these CCAA Proceedings on March 31, 2020. Since that time, the CannTrust Group has completed each of the above objectives. As detailed further in my affidavit sworn January 20, 2021 (the "**January 2021 Affidavit**"):

(a) the CannTrust Group completed the remainder of its remediation work;

(b) the CannTrust Group obtained from Health Canada the reinstatement of its licenses for its facility in Fenwick, Ontario (the "**Fenwick Facility**") and its facility in Vaughan, Ontario (the "**Vaughan Facility**") on May 29, 2020 and

August 6, 2020, respectively;

(c) the CannTrust Group restructured its operations and took certain steps to right-size its business, including reviewing its workforce, disclaiming various agreements that were unnecessary or uneconomic and engaging with key contract counterparties to renegotiate their existing arrangements;

(d) the CannTrust Group resumed production and processing operations at the Fenwick Facility and Vaughan Facility and announced: (i) on December 2, 2020 that it was returning to the recreational cannabis marketplace with two of its recreational brands, Liiv and Synr.g,; and (ii) on January 8, 2021 that it was re-entering the medical cannabis market with its new medical brand, estora;

(e) the CannTrust Group obtained the SISP Order (defined below) and, with the assistance of its financial advisor, Greenhill & Co. Canada Ltd. (the "**Financial Advisor**"), carried out a robust marketing and solicitation process which did not result in any executable proposals for a recapitalization or sale transaction;

(f) the CannTrust Group obtained the Claims Procedure Order (defined below) in order to ascertain the universe of claims that may exist against the CannTrust Group and the directors and officers of the CannTrust Group other than certain Excluded Equity Claims (defined below);

(g) the CannTrust Group obtained the Mediation Order (defined below) appointing the Hon. Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to mediate a global settlement of the claims associated with the Actions; and

(h) as a result of the extensive negotiations facilitated by the Court-Appointed Mediator, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action and the U.S. Class Action (defined below) and their counsel regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims.

(iii) Relief Sought on This Motion

8. I swear this affidavit in support of the CannTrust Group's motion for an order (the "**Meeting Order**") substantially in the form of the draft order included at Tab 3 of the Motion of Record of the CannTrust Group, among other things:

(a) accepting the filing of the plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") under the CCAA and the *Business Corporations Act* (Ontario) to be dated as of March 19, 2021 (the "**CCAA Plan**") with the Court, a draft of which is attached as **Exhibit "A"**;

(b) authorizing and directing the CannTrust Plan Companies to call, hold and conduct meetings of their creditors to vote on the CCAA Plan;

(c) approving, pursuant to section 22 of the CCAA, the classification of creditors set out in the CCAA Plan for the purposes of the meetings and voting on the CCAA Plan;

(d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the meetings;

(e) approving the procedures to be followed at the meetings, including voting procedures;

(f) setting a date for the hearing (the "**Sanction Hearing**") of the CannTrust Group's motion for an order approving the CCAA Plan (the "**CCAA Sanction Order**");

(g) extending the Stay Period (as defined in the Initial Order) until and including the date of the Sanction Hearing; and

(h) authorizing the Monitor to accept the late filing of certain proofs of claim.

9. As described in greater detail below, the CCAA Plan will compromise and release certain liabilities of the CannTrust Plan Companies, including all of the CannTrust Plan Companies' liabilities in connection with the Actions, and allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern with a stronger, more efficient business which the CannTrust Plan Companies believe will be highly competitive in the Canadian cannabis market.

10. The CannTrust Group believes that the CCAA Plan fairly balances the interests of all stakeholders. As set out in greater detail below:

(a) General Unsecured Creditors of CannTrust Inc. ("**CannTrust Opco**") with

Proven Claims will be entitled to distributions from the GUC Distribution Pool, to which the CannTrust Plan Companies will contribute $1.2 million;

(b) the small number of General Unsecured Creditors of CannTrust Holdings and Elmcliffe Investments Inc. ("**Elmcliffe**") with Proven Claims will be paid the amount of such Proven Claims (in the case of Elmcliffe, based on a payment schedule to be agreed between Elmcliffe and the applicable Creditor(s));

(c) Securities Claimants with Proven Claims will have the right to receive distributions from the Securities Claimant Trust, to which (i) CannTrust Holdings will pay or cause to be paid $50 million, (ii) CannTrust Holdings and CannTrust Opco will assign their claims against any non-settling Co-Defendants and Insurers, and (iii) Additional Settlement Parties may make further contributions of cash and assigned claims;

(d) Securities-Related Indemnity Claims will be released without any distribution under the CCAA Plan;

(e) Securities-Related Section 5.1(2) Claims will be channelled to the Securities Claimant Trust; and

(f) Unaffected Claims will either be paid pursuant to the CCAA Plan or satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company.

11. The CannTrust Plan Companies believe that the CCAA Plan is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA

Proceedings as a going concern as:

(a) the CannTrust Plan Companies carried out a robust marketing and solicitation process approved by the CCAA Court which did not result in any executable proposals for a recapitalization or sale transaction; and

(b) the CannTrust Plan Companies have limited remaining cash in excess of the $50 million needed to fund the proposed settlement, and their ability to obtain further financing is dependent on a clear path being provided toward a successful restructuring and exit from these CCAA Proceedings.

12. Accordingly, it is appropriate to grant the Meeting Order so that the CannTrust Plan Companies may call the Meetings of the Affected Creditors to consider and vote on the CCAA Plan.

II. BACKGROUND

(i) Initial Orders

13. On March 31, 2020, the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (in its capacity as the court supervising the CCAA Proceedings, the "**CCAA Court**") granted an initial order (the "**Initial Order**") pursuant to the CCAA in favour of the CannTrust Group, including a stay of proceedings until April 9, 2020 (the "**Stay Period**").

14. 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 "B"**.

(ii) SISP, Claims Procedure and Mediation Orders

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

(a) an order (the "**SISP 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 the CannTrust Group (the "**SISP**"), a copy of which is attached hereto as **Exhibit "C"**;

(b) an order (the "**Claims Procedure Order**") approving a claims procedure for the identification, quantification, and resolution of certain claims of creditors of the CannTrust Group and its directors and officers (the "**Claims Procedure**"), a copy of which, without schedules, is attached hereto as **Exhibit "D"**; and

(c) an order (the "**Mediation Order**") appointing the Court-Appointed Mediator to mediate a global settlement of certain claims related to the Actions (the "**Mediation Process**"), a copy of which is attached hereto as **Exhibit "E"**.

(iii) Previous Stay Extensions

16. On July 2, 2020, October 28, 2020 and January 29, 2021, the Honourable Mr. Justice Hainey granted orders further extending the Stay Period, which currently runs until and including April 30, 2021. A copy of the most recent such order dated January 29, 2021 (the

"**January Stay Extension Order**") is attached hereto as **Exhibit "F"**.

III. BUSINESS RESTRUCTURING

17. As set out in further detail in the January 2021 Affidavit, a copy of which (without exhibits) is attached hereto as **Exhibit "G"**, since commencing the CCAA Proceedings on March 31, 2020, the CannTrust Group has completed each of its business restructuring objectives. Specifically, the CannTrust Group completed the remainder of its remediation work, obtained the reinstatement of its cannabis licences, resumed production and processing operations and returned to the recreational and medical cannabis markets.

IV. SISP

18. On May 8, 2020, the SISP Order was issued which approved and authorized the implementation of the SISP.

19. I previously swore an affidavit on June 25, 2020 (the "**June Affidavit**") in these proceedings which sets out, among other things, the steps taken by the CannTrust Group, the Financial Advisor and the Monitor to implement the SISP. A copy of the June Affidavit, without exhibits, is attached hereto as **Exhibit "H"**.

20. The Phase 1 Bid Deadline (as defined in the SISP Order) was 5:00 p.m. (Eastern Time) on June 22, 2020.

21. As set out in the June Affidavit, the CannTrust Group and the Financial Advisor made a preliminary assessment of the Phase 1 Bids received and determined that none of the Phase 1 Bids represented an executable proposal for a recapitalization or sale transaction. In light of

the progress being made in the Mediation Process and the result that the CannTrust Group hoped to achieve, the CannTrust Group decided, in consultation with the Financial Advisor and the Monitor, to prioritize the Mediation Process.

22. Based on the agreement it reached on a framework for the settlement of all Securities Claims and related claims, the CannTrust Group intends to move forward on the basis of a standalone restructuring, to be implemented by way of the CCAA Plan.

V. CLAIMS PROCEDURE

(i) Claims Procedure Order

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

24. The CannTrust Group sought to commence the Claims Procedure in order to ascertain the universe of claims that may exist against the CannTrust Group and the directors and officers of the CannTrust Group, other than certain Excluded Equity Claims.

25. The "Excluded Equity Claims" were defined in the Claims Procedure Order as "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." These claims were generally dealt with in the Mediation Process and are described in more detail below.

(ii) Bar Dates

26. 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 each term is defined in the Claims Procedure Order).

(iii) Summary of Claims Filed

27. The following is the status of the claims that had been filed in the Claims Procedure as at March 1, 2021:

(a) 240 claims have been filed with a cumulative asserted value of approximately $1.46 billion;

(b) 175 claims have been provisionally accepted, comprised of unsecured claims with a cumulative value of approximately $2.0 million and secured claims with a cumulative value of approximately $30,000;

(c) 21 claims with a cumulative asserted value of approximately $10.2 million have been withdrawn or disallowed in their entirety and not disputed;

(d) four (4) claims have been partially disallowed for which a Notice of Revision and Disallowance has been sent and the Dispute Period has not lapsed, in respect of which approximately $90,000 of the total claim amount has been accepted and approximately $148,000 has been disallowed;

(e) there are 10 claims that had been partially or fully disallowed for which a

Notice of Dispute has been filed by the claimant (the "**Disputed Claims**"), in respect of which approximately $280,000 of the total claim amount has been accepted and the amount currently under dispute is approximately $77.2 million;

(f) four (4) intercompany claims with a cumulative asserted value of approximately $253.8 million were submitted by a member of the CannTrust Group against another member of the CannTrust Group which will be Unaffected Claims under the CCAA Plan and, accordingly, will not be adjudicated under the Claims Procedure;

(g) 18 claims which are Excluded Equity Claims with a cumulative asserted value of approximately $1.12 billion were submitted which were not called for under the Claims Procedure Order and, accordingly, will not be adjudicated; and

(h) two (2) "marker" claims submitted by the Canada Revenue Agency against CannTrust Holdings and CannTrust Opco pending audits were still under review by the CannTrust Group and the Monitor, and the Canada Revenue Agency has withdrawn its "marker" claims submitted against Elmcliffe and CTI Holdings (Osoyoos) Inc. ("**CTI**").

28. The following is a summary of the Proven Claims and Unresolved Claims asserted against each member of the CannTrust Group:

Claim	Proven Claims		Unresolved Claims	
	Count	Amount	Count	Amount
CannTrust Holdings Inc.				
Secured	0	N/A	0	N/A
Unsecured	5	$381,089	4	$13,062,318
CannTrust Inc.				
Secured	1	$101,439	2	$1,600,000
Unsecured	168	$1,565,204	16	$62,909,959
Elmcliffe Investments Inc.				
Secured	0	N/A	1	$71,812
Unsecured	1	$400,000	0	N/A
CTI Holdings (Osoyoos) Inc.				
Secured	0	N/A	0	N/A
Unsecured	0	N/A	0	N/A

(iv) Claims Officer

29. On February 19, 2021, the CCAA Court issued an order (the "**Claims Officer Order**") appointing the Honourable Frank J.C. Newbould, Q.C. as claims officer (the "**Claims Officer**") in order to adjudicate the Disputed Claims if they cannot be resolved in a satisfactory manner within a reasonable time period.

30. To date, three (3) Disputed Claims with an aggregate asserted value of approximately $16.1 million have been referred to the Claims Officer for adjudication. These claims were filed by Peter Aceto, Eric Paul and Kenneth Brady Green, who were the chief executive officer, chairman of the Board and head grower of the CannTrust Group, respectively, at the time of the Health Canada Audits and who were subsequently terminated or voluntarily resigned from those positions at the request of the CannTrust Group.

31. The claims of Mr. Aceto, Mr. Paul and Mr. Green were disallowed on the basis that their misconduct disentitled them to the relief sought. As the facts supporting the denial of

these claims overlap in many respects, the CannTrust Group sought to have the disputes heard together by the Claims Officer in a common trial.

32. The Claims Officer held an initial case conference with respect to each of these claims on February 25, 2021. The Claims Officer determined that the claims should be heard together and a timetable was negotiated with the consent of all parties leading to a common trial of the disputes before the Claims Officer during the weeks of April 5, 2021 and April 12, 2021. The Claims Officer indicated that the common trial is presumptively open and any interested parties may attend.

33. The CannTrust Group and the Monitor will continue to engage with the other Claimants with Disputed Claims to attempt to resolve those disputes in a satisfactory manner.

VI. MEDIATION PROCESS AND CCAA REPRESENTATION ORDER

34. Prior to receiving the Health Canada Audit Reports, the CannTrust Group was not a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to it.

35. As described further below, following the Health Canada Audits, eight putative class action lawsuits were commenced in Canada and five putative class action lawsuits were commenced in the U.S., alleging that CannTrust Holdings made misrepresentations in its disclosure to investors related to the findings of the Health Canada Audits. The aggregate damages sought exceed $500 million.

(i) Canadian Actions

36. In Canada, five of the eight putative class action lawsuits were commenced in Ontario. The Ontario class actions, which were brought by different plaintiffs' counsel, plead claims, class descriptions and class periods that are not identical but have a great deal of overlap between one another.

37. On January 28, 2020, the Honourable Mr. Justice Hainey issued an endorsement awarding carriage of the Ontario putative class actions (the "**Ontario Class Action**") to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation (now Kalloghlian Myers LLP) ("**Ontario Class Action Counsel**").

38. In addition to the Ontario Class Action, separate class action lawsuits were commenced by Merchant Law Group in British Columbia, Alberta and Quebec (collectively, the "**Merchant Class Actions**"). None of the Merchant Class Actions has been certified.

39. An action was commenced in Ontario against CannTrust Holdings and other defendants by two shareholders, Zola Finance Holdings Ltd. and Igor Gimelshtein, relating to the drop in CannTrust Holding's share price after July 8, 2019 (the "**Zola Action**"). The total amounts claimed in this lawsuit overlap with the Ontario Class Action and have not been quantified by CannTrust at the present time.

40. Several other actions have been commenced against CannTrust Holdings by self-represented individual shareholders as well.

(ii) US Securities Class Actions

41. In the United States, four of the five putative securities class actions were commenced in the Southern District of New York and alleged violations of the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States). An order consolidating the federal putative class actions was granted on April 16, 2020. Labaton Sucharow LLP was appointed as lead counsel ("**U.S. Class Action Counsel**") in the consolidated action (the "**U.S. Class Action**").

42. A separate case is pending in California State Court alleging claims pursuant to the State *Securities Act* (the "**California Class Action**"). The plaintiff's counsel in the California Class Action agreed to temporarily suspend the steps in the litigation and has been liaising with U.S. Class Action Counsel.

43. Neither the U.S. Class Action nor the California Class Action has been certified.

44. The Ontario Class Action, the Merchant Class Actions, the Zola Action, the U.S. Class Action and the California Class Action are referred to collectively as the "**Actions**".

(iii) Claims for Contribution and Indemnity

45. The Actions also named as defendants various current and former directors, officers and employees of the CannTrust Group, its auditors, the underwriters of an offering completed in 2019 and certain selling shareholders that sold shares in connection with this offering. These co-defendants have asserted or may assert claims for contribution and indemnity against CannTrust Holdings for, among other things, liability they may face in the Actions.

(iv) Mediation Process

46. As noted above, prior to commencing the CCAA Proceedings, CannTrust Holdings had expended significant time and resources investigating and preparing to defend the Actions in multiple jurisdictions. With respect to the Actions, the CannTrust Group believed that commencing the CCAA Proceedings was necessary, among other reasons:

(a) to avoid the cost of defending multiple putative class actions and other litigation brought against it in several jurisdictions;

(b) to provide a single forum in which to seek to resolve all of the claims and contingent claims against it;

(c) to place all creditors and contingent creditors on an equal footing and to avoid one creditor or group of creditors potentially gaining a timing advantage over others;

(d) in relation to those claimants with securities claims, to ensure that they would all be able to participate on an equal footing and to avoid potentially inconsistent classes and claims across different Actions; and

(e) to provide a means by which the CannTrust Group could be released from all securities claims and related claims (including indemnity claims) against it so that it could emerge from CCAA proceedings on a restructured basis, free and clear of all such claims.

47. Shortly after obtaining CCAA protection pursuant to the Initial Order, and consistent with its desire to pursue a global resolution of the claims against it in the Actions, on May 8, 2020, the CannTrust Group sought and obtained the Mediation Order pursuant to which the Honourable Dennis O'Connor, Q.C. was appointed as the Court-Appointed Mediator to conduct the Mediation Process between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the securities claims and related claims between the various parties.

48. Since the commencement of the Mediation Process, the CannTrust Group has dedicated significant time and resources to the mediation. It has participated in plenary sessions, exchanged mediation briefs with participants, and has met on numerous occasions with different parties, all in accordance with the process established by the Court-Appointed Mediator. The Monitor participated in the Mediation Process and worked closely with the Court-Appointed Mediator.

49. Because the Mediation Process is confidential, comments about the substance of the discussions and negotiations would not be appropriate. However, from the perspective of the CannTrust Group, the extensive efforts that have occurred in the Mediation Process were very successful as they led to an agreement providing a framework for settling the Securities Claims and related claims, as described further below.

(v) Restructuring Support Agreement

50. On January 19, 2021, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (collectively, the

“**Supporting Stakeholders**”) regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. A copy of the restructuring support agreement between CannTrust and the Supporting Stakeholders dated January 19, 2021 (the “**RSA**”) is attached hereto as **Exhibit “I”**.

51. The RSA contemplated that the CannTrust Group would prepare and file a CCAA Plan and then seek approval of it by creditors and the CCAA Court, containing the following features, among others:

(a) the Securities Claimant Trust will be established for the benefit of Securities Claimants;

(b) CannTrust Holdings will contribute $50 million to the Securities Claimant Trust;

(c) CannTrust will work with the Supporting Stakeholders to seek settlements with, and contributions to the Securities Claimant Trust from, other co-defendants and insurers;

(d) any claims that CannTrust has for Securities-Related Matters against any co-defendants and insurers who do not settle will be assigned to the Securities Claimant Trust;

(e) the contributions made to the Securities Claimant Trust by CannTrust Holdings and any other settlement parties, together with any proceeds from the prosecution or settlement of any claims assigned to the Securities Claimant Trust, will be distributed pursuant to an allocation and distribution scheme to be developed by the Supporting Stakeholders and reflected in the CCAA Plan, and approved by the CCAA Court; and

(f) the CannTrust Group and all other parties to the settlement will be released from all Securities Claims and related claims against them, with very limited exceptions.

52. On January 20, 2021, the CannTrust Group issued a press release announcing that it had entered into the RSA. A copy of this press release is attached hereto as **Exhibit "J"**.

(vi) CCAA Representation Order

53. The CannTrust Group determined that it was in the interest of all stakeholders that the Securities Claimants that were not already formally represented by counsel be formally represented in these CCAA proceedings in an effective, timely and cost-efficient manner.

54. Accordingly, on January 29, 2021 the CannTrust Group obtained an order (the "**CCAA Representation Order**") from the CCAA Court appointing, subject to certain limited exceptions set out below:

(a) the representative plaintiffs in the Ontario Class Action (the "**CCAA Canadian Representatives**") to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

(b) the representative plaintiffs in the U.S. Class Action (the "**CCAA U.S. Representatives**" and collectively with the CCAA Canadian Representatives, the "**CCAA Representatives**") to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

(c) Ontario Class Action Counsel ("**CCAA Canadian Representative Counsel**") as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims; and

(d) Weisz Fell Kour LLP in association with U.S. Class Action Counsel ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims.

55. A copy of the CCAA Representation Order is attached hereto as **Exhibit "K"**.

56. The limited number of Securities Claimants that had already engaged counsel and had been participating in the CCAA Proceedings, specifically the plaintiffs in the Zola Action and the Merchant Actions, were excluded from representation by the CCAA Representatives and CCAA Representative Counsel.

57. The CCAA Representation Order provided for a process to notify Securities Claimants of the appointment of the CCAA Representatives and CCAA Representative Counsel and a means to communicate with them. In accordance with the CCAA Representation Order:

(a) the CannTrust Group, with the assistance of the Monitor, published a notice in *The Globe and Mail (National Edition)* and the Wall Street Journal on

February 3, 2021, copies of which are attached hereto as **Exhibits "L"** and **"M"**, respectively;

(b) the Monitor sent a copy of the notice to each of the Known Securities Claimants (as defined in the CCAA Representation Order) on or before February 3, 2021 by e-mail (if known) or by first class mail; and

(c) the Monitor posted a copy of the notice on the Monitor's Website.

58. On January 29, 2021, CannTrust issued a press release announcing that the CCAA Representation Order had been issued by the CCAA Court. A copy of this press release is attached hereto as **Exhibit "N"**.

59. Pursuant to a Joinder Agreement dated January 29, 2021, the CCAA Representatives and CCAA Representative Counsel became parties to the RSA in such capacities.

VII. CCAA PLAN

(i) CannTrust Plan Companies

60. The CCAA Plan is being proposed by CannTrust Holdings, CannTrust Opco and Elmcliffe. Each of these CannTrust Plan Companies had Claims asserted against it in the Claims Procedure that will be compromised pursuant to, and subject to the terms of, the CCAA Plan.

61. The other member of the CannTrust Group that is an Applicant in the CCAA Proceedings, CTI, did not have any Claims asserted against it in the Claims Procedure that will be compromised. The only Claim asserted against CTI that was not disallowed or

withdrawn was an intercompany claim by CannTrust Holdings. The CannTrust Group intends to seek a separate order at the Sanction Hearing terminating the CCAA Proceedings with respect to CTI at the Effective Time.

(ii) Classification of Affected Creditors

62. The CCAA Plan provides for four classes of Affected Creditors. An "Affected Creditor" is defined in the CCAA Plan as a Creditor with an Affected Claim. "Affected Claims" are defined in the CCAA Plan as meaning General Unsecured Claims and Securities Claims.

A. General Unsecured Creditors

63. General Unsecured Creditors are separated into separate classes based on which CannTrust Plan Company that their General Unsecured Claim is against. Specifically, the CCAA Plan provides for:

(a) a class of Creditors holding General Unsecured Claims against CannTrust Opco (the "**Opco GUC Class**");

(b) a class of Creditors holding General Unsecured Claims against Elmcliffe (the "**Elmcliffe GUC Class**"); and

(c) a class of Creditors holding General Unsecured Claims against CannTrust Holdings (the "**CannTrust Holdings GUC Class**" and collectively with the Opco GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**").

B. <u>Securities Claimants</u>

64. "Securities Claims" are defined in the CCAA Plan as:

(a) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and

(b) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

in each case, other than a Securities-Related Indemnity Claim (defined and discussed below).

65. The fourth class of Affected Creditors under the CCAA Plan is comprised of Creditors holding Securities Claims (the "**Securities Claimant Class**").

(iii) Treatment of Creditors and Claims

A. <u>General Unsecured Claims – Generally</u>

66. At the Effective Time, all General Unsecured Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and General Unsecured Creditors with Proven Claims will have the right to receive the applicable distributions pursuant to the CCAA Plan.

B. General Unsecured Claims (Opco)

67. Each General Unsecured Creditor of CannTrust Opco with Proven Claims not exceeding in aggregate $2,500 (the "**Election Amount**"), or with Proven Claims exceeding the aggregate of the Election Amount but which General Unsecured Creditor has delivered an Election Notice to the Monitor in accordance with the Meeting Order, will receive, in full satisfaction of such Proven Claims (in each case, a "**Convenience Creditor**"), payment in an amount equal to the lesser of the Election Amount and the actual amount of such Proven Claims.

68. The Election Notice is included in the Opco GUC Proxy and Election Notice attached as Schedule "A" to the Meeting Order. In order to be effective, the Proxy and Election Notice must be received by the Monitor no later than 5:00 p.m. on April 27, 2021 or three (3) Business Days prior to any adjournment of the Opco GUC Meeting.

69. Each General Unsecured Creditor of CannTrust Opco with Proven Claims that exceed in aggregate the Election Amount and who have not delivered an Election Notice to the Monitor in accordance with the Meeting Order will receive in full satisfaction of such Proven Claims, the lesser of:

(a) such General Unsecured Creditor's *pro rata* share of the balance of the GUC Distribution Pool after deducting (i) the amount held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are Unresolved General Unsecured Claims, and (ii) the amounts paid to Convenience Creditors as described above; and

(b) 17% of the amount of such General Unsecured Creditor's Proven Claims that are General Unsecured Claims (Opco).

70. The GUC Distribution Pool in the amount of $1.2 million will be set aside by the CannTrust Plan Companies or delivered to the Monitor at or before the Effective Time.

C. General Unsecured Claims (Holdings)

71. Each General Unsecured Creditor of CannTrust Holdings with Proven Claims will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims.

D. General Unsecured Claims (Elmcliffe)

72. Each General Unsecured Creditor of Elmcliffe with Proven Claims will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor.

E. Securities Claims

73. At the Effective Time, all Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and Securities Claimants with Proven Claims will have the right to receive distributions from the Securities Claimant Trust in accordance with the Allocation and Distribution Scheme.

74. On or before the Effective Time, CannTrust Holdings will:

(a) pay or cause to be paid $50 million (its Cash Contribution) to the Securities Claimant Trust; and

(b) assign to the Securities Claimant Trust the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims are for loss or damage up to the date of the CCAA Sanction Order and arise from or relate to the Securities-Related Matters (the "**Assigned Claims**").

75. Subject to the other terms of the CCAA Plan and CCAA Sanction Order, the Securities-Related Claims of Securities Claimants against Non-Settlement Parties will not be compromised and Securities Claimants may continue to pursue such Securities-Related Claims against Non-Settlement Parties after the Plan Implementation Date.

F. Securities-Related Indemnity Claims

76. Securities-Related Indemnity Claims will be fully, finally, irrevocably and forever discharged pursuant to the CCAA Plan as of the Effective Time. Holders of Securities-Related Indemnity Claims will not receive a distribution or other consideration under the CCAA Plan and will not be entitled to vote on the CCAA Plan in respect of their Securities-Related Indemnity Claims.

77. "Securities-Related Indemnity Claims" are defined in the CCAA Plan as "any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim

or Securities-Related Claim asserted against such Person or arising from or in connection with any other claim asserted by a Co-Defendant against such Person."

G. Securities-Related Section 5.1(2) Claims

78. A Securities-Related Claim against a Director who is an Original Settlement Party and which claim is not permitted by section 5.1(2) of the CCAA to be compromised (a "**Securities-Related Section 5.1(2) Claim**") will be fully, finally, irrevocably and forever enjoined as against the applicable Directors from the Effective Time.

79. Each Securities-Related Section 5.1(2) Claim will be channelled to and limited to recovery solely from the Securities Claimant Trust in accordance with the CCAA Plan and the Definitive Documents.

H. Unresolved General Unsecured Claims

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

81. The Unresolved General Unsecured Claims Reserve will be set aside by the CannTrust Plan Companies (pursuant to arrangements satisfactory to the Monitor) or held by the Monitor, in trust, until the final determination of all Unresolved General Unsecured Claims in accordance with the Claims Procedure Order.

82. To the extent that an Unresolved General Unsecured Claim becomes a Proven Claim, the CannTrust Plan Companies, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the CannTrust Plan Companies, will distribute to the holder thereof an amount from the Unresolved General Unsecured Claims Reserve equal to the amount that such Creditor would have been entitled to receive in respect of its Proven Claim on the Initial Distribution Date had such Unresolved General Unsecured Claim been a Proven Claim on the Initial Distribution Date.

83. After all Unresolved General Unsecured Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to General Unsecured Claims that are Proven Claims, the amounts remaining in the GUC Distribution Pool and the Unresolved General Unsecured Claims Reserve will no longer be required to be set aside by the CannTrust Group and, if held by the Monitor, will be returned to the CannTrust Group.

I. Unaffected Claims

84. The following Claims are Unaffected Claims and will not be compromised pursuant to the CCAA Plan:

(a) Claims secured by the CCAA Charges;

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

(c) CCAA Priority Payment Claims;

(d) Claims of a member of the CannTrust Group against another member of the CannTrust Group;

(e) any Claim for or related to the DIP and Exit Loan;

(f) Claims of Directors (but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties) and employees that are owing to them in their capacity as such for or in connection with accrued salary, accrued wages, accrued bonuses, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay and which are not related to the cessation of employment;

(g) Insured Claims;

(h) Claims that are not Securities-Related Indemnity Claims by any Director (other than a Director named as a defendant in one or more of the Actions and who is not an Original Settlement Party) under any directors' or officers' indemnity policy or agreement with a CannTrust Plan Company; and

(i) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the CannTrust Group.

(iv) Additional Settlement Parties

85. The CCAA Plan provides a mechanism for other Co-Defendants and Insurers to settle the Securities Claims asserted against them in the Actions, make contributions to the

Securities Claimant Trust and become a Settlement Party that will benefit from the releases and other relief contemplated in the CCAA Plan.

86. By written agreement between CannTrust Holdings and CCAA Representative Counsel entered into prior to the Meetings, a Co-Defendant or Insurer may be designated as an Additional Settlement Party for the purposes of the CCAA Plan if such proposed Additional Settlement Party has signed a restructuring support agreement, in form and content satisfactory to the parties to the RSA, acting reasonably, pursuant to which such proposed Additional Settlement Party has agreed, among other things:

(a) to make a Cash Contribution to the Securities Claimant Trust on the Plan Implementation Date in an amount acceptable to CCAA Representative Counsel;

(b) to assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date; and

(c) to support the CCAA Plan in a manner consistent with the RSA.

87. If a Co-Defendant or Insurer is designated as an Additional Settlement Party pursuant to the CCAA Plan, the CannTrust Plan Companies will amend the CCAA Plan by adding such Co-Defendant or Insurer to the definition of Additional Settlement Party and cause the amendment to be filed and posted in accordance with the CCAA Plan.

(v) Articles of Reorganization

88. The CCAA Plan provides that, upon satisfaction or waiver of each of the Plan Implementation Conditions, CannTrust Holdings will file articles of reorganization to, among other things, effect a change of the name of CannTrust Holdings, the form of which the CannTrust Group will seek approval of in the CCAA Sanction Order.

(vi) DIP and Exit Loan

89. The CannTrust Group is currently seeking to arrange financing that will provide it with funds during the remainder of the CCAA Proceedings, if needed, and funds needed to continue to operate post-implementation.

90. This DIP and Exit Loan will be unaffected in the CCAA Plan and it is a condition to implementation of the CCAA Plan that arrangements satisfactory to the DIP and Exit Lender and the CannTrust Group in respect of the terms governing the DIP and Exit Loan from and after the Plan Implementation Date will have become effective, subject only to the occurrence of the Plan Implementation Date.

(vii) Releases and Injunctions

91. At the Effective Time, the following parties will be fully, finally, irrevocably and forever released and discharged from all Released Claims:

(a) the Original Settlement Parties, the other subsidiaries of CannTrust Holdings in which CannTrust Holdings owns directly or indirectly not less than 50% of the common equity, the Monitor, and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties and the Representatives of each such excluded Director (the "**Released CannTrust Parties**"); and

(b) the Additional Settlement Parties and their respective Representatives (the "**Released Additional Settlement Parties**").

92. The CCAA Plan does not release the Non-Released CannTrust Claims, which include:

(a) the right to enforce against the applicable CannTrust Plan Company its obligations under the CCAA Plan;

(b) the right to enforce the Unaffected Claims against the applicable CannTrust Plan Company;

(c) solely as against a Director in his or her capacity as such, any claim that is not permitted by section 5.1(2) of the CCAA to be compromised;

(d) any claim against a CannTrust Plan Company for the purchase or supply of goods or services delivered after the Filing Date; and

(e) the right to enforce against the applicable CannTrust Plan Company any agreement in force at the Effective Time that was entered into by such CannTrust Plan Company between the Filing Date and the Plan Implementation Date, or that was entered into prior to the Filing Date and not disclaimed during the CCAA Proceedings pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA.

93. The CCAA Plan also provides for certain injunctions and other protections in favour of the Released Parties with respect to Released Claims and Securities-Related Section 5.1(2) Claims.

(viii) Conditions to Plan Implementation

94. The implementation of the CCAA Plan is conditional on the satisfaction or waiver by the CannTrust Plan Companies of, among others, the following conditions:

(a) the CCAA Plan will have been approved by the Affected Creditors;

(b) the CCAA Sanction Order will have been issued by the CCAA Court;

(c) the U.S. Approval Order will have been entered in the U.S. Class Action;

(d) all applicable appeal periods in respect of the CCAA Sanction Order and the U.S. Approval Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellate tribunal;

(e) the Trust Declaration will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(f) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust and the Original Settlement Parties will have assigned their Assigned Claims, if any, to the Securities Claimant Trust; and

(g) the terms of the Settlement-Related Agreements and any other Definitive Documents will have been settled in form and substance satisfactory to each of the parties to the RSA, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document).

(ix) Filing the CCAA Plan

95. The CannTrust Plan Companies are not presently seeking court approval of the CCAA Plan. Rather, the CannTrust Plan Companies are seeking to file the CCAA Plan with the CCAA Court and to bring the CCAA Plan before the Affected Creditors to vote upon it at the proposed Meetings. In my view, the CCAA Plan fairly balances the interests of the CannTrust Plan Companies' stakeholders.

VIII. THE MEETINGS AND MEETING ORDER

(i) The Affected Creditor Classes and the Meetings

96. The proposed Meeting Order approves the four classes of Affected Creditors contemplated in the CCAA Plan and described above (the "**Affected Creditor Classes**") for the purposes of considering and voting on the resolution to approve the CCAA Plan.

97. The proposed Meeting Order authorizes and directs the CannTrust Plan Companies to call the following meetings of the Affected Creditor Classes to consider and vote on the resolution to approve the CCAA Plan:

(a) a meeting of the Holdings GUC Class (the "**Holdings GUC Meeting**"), which would be scheduled for April 30, 2021 at 11:00 a.m. EST; and

(b) a meeting of the Elmcliffe GUC Class (the "**Elmcliffe GUC Meeting**"), which would be scheduled for April 30, 2021 at 11:30 p.m. EST;

(c) a meeting of the Opco GUC Class (the "**Opco GUC Meeting**" and collectively with the CannTrust Holdings GUC Meeting and the Elmcliffe GUC Meeting, the "**GUC Meetings**"), which would be scheduled for April 30, 2021 at 12:00 p.m. EST;

(d) a meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**"), which would be scheduled for April 30, 2021 at 2:00 p.m. EST.

98. As a result of the COVID-19 pandemic and the continued restriction on gatherings in the Province of Ontario, it is proposed that the Meetings will be held by videoconference. Affected Creditors will also be able to participate by telephone. I believe that, in the circumstances, it is necessary and appropriate to hold the Meetings by videoconference. The Monitor will provide the details for the applicable Meeting to each Affected Creditor that is entitled to attend that Meeting that notifies the Monitor of its intention to attend that Meeting, or their proxies.

(ii) Notice and Information Relating to Meetings, CCAA Plan and Sanction Hearing

99. The CannTrust Plan Companies have prepared the following draft documents in relation to the Meetings, the CCAA Plan and the Sanction Hearing:

(a) an information statement, attached hereto as **Exhibit "O"** (the "**Information Statement**");

(b) a notice to General Unsecured Creditors regarding the Meetings and Sanction Hearing, attached hereto as **Exhibit "P"** (the "**Notice of Meetings and Sanction Hearing**");

(c) a form of proxy and Election Notice for Creditors holding General Unsecured Claims (Opco), which is attached to the proposed Meeting Order as Schedule "A" (the "**Opco GUC Election Notice and Proxy**");

(d) a form of proxy for Creditors holding General Unsecured Claims (Elmcliffe), which is attached to the proposed Meeting Order as Schedule "B" (the "**Elmcliffe GUC Proxy**");

(e) a form of proxy for Creditors holding General Unsecured Claims (CannTrust Holdings), which is attached to the proposed Meeting Order as Schedule "C" (the "**CannTrust Holdings GUC Proxy**");

(f) a notice to Securities Claimants, attached hereto as **Exhibit "Q"** (the "**Notice to Securities Claimants**");

(g) a form of proof of voting claims for CCAA Representatives, which is attached to the proposed Meeting Order as Schedule "D" (the "**Proof of Represented Securities Voting Claims**");

(h) a form of opt out election for Securities Claimants, which is attached to the proposed Meeting Order as Schedule "E" (the "**Securities Claimant Opt Out Election**");

(i) a form of proof of voting claim for Opt Out Securities Claimants, which is attached to the proposed Meeting Order as Schedule "F" (the "**Proof of Opt Out Securities Voting Claim**"); and

(j) a form of proxy for Opt Out Securities Claimants, which is attached to the proposed Meeting Order as Schedule "G" (the "**Opt Out Securities Claimant Proxy**").

100. The proposed Meeting Order provides that notice of the Meetings, the CCAA Plan and the CCAA Sanction Order will be provided to the Affected Creditors as follows:

(a) <u>General Unsecured Creditors</u>: Within three (3) Business Days following the granting of the Meeting Order, the Monitor will send a copy of the Information Statement, the Notice of Meeting and Sanction Hearing, and the applicable form of proxy to all General Unsecured Creditors with General Unsecured Claims that are Proven Claims or Unresolved General Unsecured Claims.

(b) <u>CCAA Representatives and CCAA Representative Counsel</u>: Within three (3) Business Days following the granting of the Meeting Order, the Monitor will send the Information Statement, the Notice of Meeting and Sanction Hearing, the Securities Claimant Notice and the Proof of Represented Securities Voting Claims to the CCAA Representatives and CCAA Representative Counsel.

(c) <u>Excluded Securities Claimants</u>: Within three (3) Business Days following the granting of the Meeting Order, the Monitor will send a copy of the Information Statement, the Notice of Meeting and Sanction Hearing, the Securities

Claimant Notice, the Securities Claimant Opt Out Election, the Proof of Opt Out Securities Voting Claim and the Opt Out Securities Claimant Proxy to all Excluded Securities Claimants (as defined in the CCAA Representation Order).

(d) Known Securities Claimants: Within three (3) Business Days following the granting of the Meeting Order, the Monitor will send a copy of the Securities Claimant Notice, the Securities Claimant Opt Out Election, the Proof of Opt Out Securities Voting Claim and the Opt Out Securities Claimant Proxy to all Known Securities Claimants (as defined in the CCAA Representation Order).

(e) Posting and Service: As soon as practicable following the granting of the Meeting Order, the Monitor will (i) cause a copy of the GUC Meeting Materials, the Securities Claimant Meeting Materials and the Meeting Order to be posted on the Monitor's Website, and (ii) send a copy of the Notice of Meetings and Sanction Hearing, the Information Statement and the Meeting Order to the Service List.

(f) Publication: As soon as practicable following the granting of the Meeting Order, the Monitor will cause notice of the Meetings, substantially in the form of the Notice of Meetings and Sanction Hearing, amended or abridged as the Monitor deems reasonable in its discretion for the purposes of publication, to be published for a period of one (1) Business Day in *The Globe and Mail* (National Edition) and Wall Street Journal.

101. In my view, the notice provisions set out in the Meeting Order are reasonable and provide sufficient notice of the Meetings and Sanction Hearing and information regarding the CCAA Plan.

(iii) Amendments to the CCAA Plan and Meeting Materials

102. The Meeting Order contemplates that amendments may be made to the CCAA Plan and to the GUC Meeting Materials or Securities Claimant Meeting Materials. Specifically, the Meeting Order provides that:

(a) the CannTrust Plan Companies may make such changes to the documents in the GUC Meeting Materials or Securities Claimant Meeting Materials as the CannTrust Plan Companies, in consultation with the Monitor, consider necessary or desirable;

(b) the CannTrust Plan Companies may prepare any supplements to the Information Statement (each, a "**Supplemental Information Statement**") as the CannTrust Plan Companies, in consultation with the Monitor, consider necessary or desirable;

(c) as soon as reasonably practicable after finalization of any Supplemental Information Statement and any amendments, restatements, modifications and/or supplements to the CCAA Plan, the Monitor will:

- (i) cause such materials to be posted on the Monitor's Website;

- (ii) send such materials by e-mail to the Service List;

(iii) if made prior to the Meetings, send such materials to the GUC Meeting Materials Parties, the CCAA Representatives, CCAA Representative Counsel, the Excluded Securities Claimants, the Requesting Securities Claimants and the Opt-Out Securities Claimants, if any; and

(iv) if made at one of the Meetings, provide notice to those present at the applicable Meeting and any subsequent Meetings prior to the vote being taken to approve the CCAA Plan.

(iv) Proof of Securities Voting Claims

103. As noted above, Equity Claims against CannTrust Holdings were excluded from the Claims Procedure and, accordingly, have not been proven to date.

104. The Meeting Order provides a process for Securities Claims to be proven and proxies to be filed solely for the purposes of voting on the CCAA Plan at the Securities Claimant Meeting. As detailed further below, this process will provide all Securities Claimants with an opportunity to prove their Securities Claims for voting purposes and vote on the CCAA Plan, either on their own behalf should they choose to do so, and otherwise it authorizes the CCAA Representatives and CCAA Representative Counsel to exercise these rights on behalf of all Securities Claimants should they not choose to do so themselves.

A. Representation of Securities Claimants and Securities Claims

105. The proposed Meeting Order will:

(a) authorize and direct the CCAA Representatives and CCAA Representative Counsel to file a Proof of Represented Securities Voting Claims with respect to all Securities Claims held by Securities Claimants other than Opt Out Securities Claimants ("**Represented Securities Claimants**"); and

(b) appoint the CCAA Representatives and CCAA Representative Counsel as proxy for all Represented Securities Claimants with authority to vote all Securities Claims held by such Represented Securities Claimants at the Securities Claimant Meeting.

106. The Meeting Order also provides that a Securities Claimant that does not want the CCAA Representatives and/or CCAA Representative Counsel to file a proof of claim on their behalf and to act as their proxy for voting purposes must deliver a Securities Claimant Opt Out Election to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on April 14, 2021 (the "**Opt Out Deadline**").

107. A Securities Claimant that delivers a Securities Claimant Opt Out Election to the Monitor in accordance with the Meeting Order will be an Opt Out Securities Claimant for the purposes of voting on the CCAA Plan. The Excluded Securities Claimants will each be deemed to be an Opt Out Securities Claimant without being required to deliver the Securities Claimant Opt Out Election.

B. <u>Proof of Securities Voting Claims</u>

108. The CCAA Representatives and CCAA Representative Counsel will be required to deliver a joint Proof of Represented Securities Voting Claims with respect to all Securities

Claims held by Represented Securities Claimants, including all relevant supporting documentation in respect of the number of Represented Securities Claimants and the value of their Securities Claims, to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on April 19, 2021 (the "**Proof of Securities Voting Claim Deadline**").

109. Opt Out Securities Claimants that wish to vote with respect to their Securities Claims (an "**Opt Out Securities Voting Claim**") at the Securities Claimant Meeting will be required to deliver a Proof of Opt Out Securities Voting Claim, including all relevant supporting documentation in respect of the validity and value of such Opt Out Securities Voting Claim, to the Monitor by the Proof of Securities Voting Claim Deadline.

110. An Opt Out Securities Claimant who does not deliver a Proof of Opt Out Securities Voting Claim to the Monitor by the Proof of Securities Voting Claim Deadline will not be entitled to attend the Securities Claimant Meeting or vote on the CCAA Plan.

C. Review of Securities Voting Claims

111. The Proofs of Opt Out Securities Voting Claims and the Proof of Represented Securities Claims will each be reviewed and adjudicated by the Monitor and the CannTrust Plan Companies in a process similar to a typical CCAA claims procedure order:

(a) the Proof of Represented Securities Claims will be reviewed by the Monitor and the CannTrust Plan Companies, who may accept, revise or disallow (in whole or in part) the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants for the purposes of voting at the Securities Claimant Meeting;

(b) each Proof of Opt Out Securities Voting Claim will be reviewed by the Monitor and the CannTrust Plan Companies, who may accept, revise or disallow (in whole or in part) the amount of any Opt-Out Securities Voting Claim for the purposes of voting at the Securities Claimant Meeting;

(c) the Monitor will communicate these determinations to the Opt Out Securities Claimants and the CCAA Representatives, as applicable, on or before April 23, 2021;

(d) the Opt Out Securities Claimant or CCAA Representatives, as applicable, may dispute this determination by notifying the Monitor of such dispute in writing by no later than 5:00 p.m. on April 27, 2021;

(e) the Monitor, in consultation with the CannTrust Plan Companies, may attempt to resolve and settle any disputes prior to the commencement of the Securities Claimant Meeting; and

(f) if the dispute is not settled prior to the commencement of the Securities Claimant Meeting, the Opt Out Securities Claimant or CCAA Representatives, as applicable, will have an "**Unresolved Securities Voting Claim**" for the purposes of voting at the Securities Claimant Meeting.

(v) Conduct of the Meetings

112. The draft Meeting Order provides for, among other things, the following in respect of the governance of the Meetings:

(a) a representative of the Monitor, designated by the Monitor, shall preside as the chair (the "**Chair**") of each Meeting and, subject to the Meeting Order and any further order of the CCAA Court, shall decide all matters relating to the conduct of each Meeting;

(b) the Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at each Meeting;

(c) a Person designated by the Monitor shall act as secretary at each Meeting;

(d) the Chair shall be entitled to adjourn and further adjourn a Meeting at a Meeting or any adjourned Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the CannTrust Plan Companies and the Monitor shall not be required to deliver any notice of adjournment of a Meeting or adjourned Meeting other than posting notice on the Monitor's Website and notifying the Service List of the adjournment; and

(e) the only Persons entitled to attend a Meeting are (i) the Monitor and its counsel; (ii) those Persons, including the holders of Proxies, entitled to vote at a Meeting pursuant to this Order and their legal counsel and advisors; (iii) the CannTrust Group's officers, legal counsel and advisors; (iv) the CRO; and (v) the Scrutineers and Secretary. Any other Person may be admitted to a Meeting on invitation of the Chair.

113. The quorum for each Meeting will be as follows:

(a) for the Opco GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Op-co);

(b) for the Elmcliffe GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Elmcliffe);

(c) for the CannTrust Holdings GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Un-secured Claim (CannTrust Holdings); and

(d) for the Securities Claimant Meeting, the attendance at such Meeting personally or by proxy of one (1) Securities Claimant with a Voting Claim that is a Securities Claim.

(vi) Voting Procedure

114. At each Meeting, the Chair will direct a vote on a resolution to approve the CCAA Plan (and any amendments made thereto in accordance with the CCAA Plan) and may direct a vote with respect to any other resolutions as the Chair may consider appropriate, in consultation with the CannTrust Plan Companies.

A. Entitlement to Vote

115. The following Creditors are entitled to vote at the applicable Meeting:

(a) in respect of the Opco GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Opco) that are Proven Claims or Unresolved General Unsecured Claims or their proxies;

(b) in respect of the Elmcliffe GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Elmcliffe) that are Proven Claims or Unresolved General Unsecured Claims or their proxies;

(c) in respect of the CannTrust Holdings GUC Meeting: only General Unsecured Creditors holding General Unsecured Claims (CannTrust Holdings) that are Proven Claims or Unresolved General Unsecured Claims or their proxies; and

(d) in respect of the Securities Claimant Meeting, only the CCAA Representatives and Opt Out Securities Claimants holding Securities Claims that have been accepted for voting purposes pursuant to the Meeting Order or Unresolved Securities Voting Claims or their proxies.

116. Unaffected Creditors will not be entitled, in such capacity, to attend the Meetings or vote on the CCAA Plan. Except as expressly set forth in the Meeting Order in respect of Securities Claims, holders of Equity Claims will not be entitled, in such capacity, to attend the Meetings or vote on the CCAA Plan.

117. The voting entitlement on the CCAA Plan will be calculated as follows (collectively, the "**Voting Claims**"):

(a) for each of the Opco GUC Class, the Elmcliffe GUC Class and the CannTrust Holdings GUC Class, each General Unsecured Creditor as of the Record Date with a General Unsecured Claim that is a Proven Claim is entitled to one vote in respect of such General Unsecured Claim, which vote shall have a value equal to the dollar value of such General Unsecured Creditor's Proven Claim determined in accordance with the Claims Procedure Order, provided that in the case of a Proven Claim that includes an Insured Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Claim; and

(b) for the Securities Claimant Class:

(i) the CCAA Representatives are entitled to the number of votes equal to the number of the Represented Securities Claimants determined in accordance with the Meeting Order, which votes shall have an aggregate value equal to the value of the Securities Claims held by the Represented Securities Claimants determined in accordance with the Meeting Order;

(ii) each Opt Out Securities Claimant with an Opt Out Securities Voting Claim that is a Proven Claim is entitled to one vote in respect of such Opt Out Securities Voting Claim which vote shall have a val-ue equal to the Opt Out Securities Claimant's Proven Claim determined in accordance with the Meeting Order.

B. Proxies

118. Any Affected Creditor that is entitled to vote at a Meeting and that wishes to appoint a nominee to vote on its behalf must: (i) duly complete and sign an Opco GUC Election Notice and Proxy, Elmcliffe GUC Proxy, CannTrust Holdings GUC Proxy or Opt Out Securities Claimant Proxy, as applicable; and (ii) send such Proxy to the Monitor by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor so that it is received by no later than 5:00 p.m. (Toronto Time) on April 27, 2021 or three (3) Business Days prior to any adjournment of the relevant Meeting.

119. A Creditor with a Voting Claim who is not an individual may only attend and vote at a Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

C. Majorities

120. The vote on the resolution to approve the CCAA Plan at the GUC Meetings shall be decided by approval of the CCAA Plan by a majority in number of the General Unsecured Creditors of each of the GUC Classes holding Voting Claims representing at least two-thirds in value of the Voting Claims in such class that are in attendance personally or by proxy and voting at each GUC Meeting.

121. Subject to further order of the CCAA Court, the vote on the resolution to approve the CCAA Plan at the Securities Claimant Meeting shall be decided by approval of the CCAA Plan by a majority in number of the Securities Claimants holding Voting Claims representing

at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Securities Claimant Meeting.

D. Unresolved Claims

122. General Unsecured Creditors with Unresolved General Unsecured Claims (or their proxies) may attend and vote at the applicable GUC Meeting and will have their voting intentions with respect to the General Unsecured Claims separately recorded by the Monitor and reported to the CCAA Court.

123. CCAA Representatives and Opt Out Securities Claimants with Unresolved Securities Voting Claims (or their proxies) may attend and vote at the Securities Claimant Meeting and will have their voting intentions with respect to the Unresolved Securities Voting Claims separately recorded by the Monitor and reported to the CCAA Court.

(vii) Monitor's Report

124. The Monitor will provide a report to the CCAA Court within three Business Days following the Meetings, which shall be served on the Service List and posted on the Monitor's Website as soon as practicable after it is filed with the CCAA Court. The Monitor's report on the Meetings will include:

(a) the results of the voting at the Meetings on the resolution to approve the CCAA Plan;

(b) whether the votes cast in respect of Unresolved General Unsecured Claims or Unresolved Securities Voting Claims, if any, would affect the result of that vote; and

(c) any other matter that the Monitor considers relevant.

(viii) Sanction Hearing

125. If the CCAA Plan is approved by the majorities contemplated by the Meeting Order, the CannTrust Plan Companies intend to seek court approval of the Plan by seeking the CCAA Sanction Order at the Sanction Hearing before the CCAA Court on May 14, 2021 or such later date as the CCAA Court may set.

126. The Meeting Order provides that the CannTrust Plan Companies will serve the Service List with the motion materials relating to the Sanction Hearing and, otherwise, the posting on the Monitor's Website, service of the Meeting Materials and/or publication in accordance with the notice provisions of the Meeting Order will constitute sufficient service and notice of the Sanction Hearing.

127. Any party who wishes to oppose the entry of the CCAA Sanction Order will be required to serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the CCAA Sanction Order at least four (4) Business Days before the date set for the Sanction Hearing.

(ix) Meeting Order Should be Approved

128. For the foregoing reasons, it is in the best interests of the CannTrust Plan Companies and their stakeholders that the CannTrust Plan Companies proceed to file the CCAA Plan and have Affected Creditors vote on it. The CannTrust Plan Companies therefore respectfully request that this Honourable Court issue the Meeting Order, accept the CCAA Plan for filing and schedule the Sanction Hearing.

IX. STAY EXTENSION

129. As noted above, the Stay Period currently runs until and including April 30, 2021. The CannTrust Group is seeking a short extension of the Stay Period to May 14, 2021, the proposed date of the Sanction Hearing.

130. The short proposed extension of the Stay Period is necessary and appropriate as: (i) the CannTrust Group has continued to act in good faith and with due diligence; (ii) the CannTrust Group is expected to have sufficient liquidity to operate throughout the short proposed extension of the Stay Period; and (iii) it will prevent the CannTrust Group having to bring a separate motion to extend the Stay Period in advance of April 30, 2021, which would be an inefficient use of the resources of the CannTrust Group and the CCAA Court.

131. In connection with the January Stay Extension Order, the CannTrust Group, with the assistance of the Monitor, prepared a cash flow forecast running from January 11, 2021 to the week ending May 2, 2021. The CannTrust Group, with the assistance of the Monitor, has prepared an updated version of this cash flow forecast so that it runs to the week ending May 16, 2021 or later (the "**Cash Flow Forecast**"), which will be appended to the Eighth Report

of the Monitor, to be filed (the "**Eighth Report**"). The Cash Flow Forecast demonstrates that the CannTrust Group will have sufficient liquidity to operate their business and meet their obligations during the short proposed extension of the Stay Period.

X. LATE CLAIMS

132. On October 28, 2020, the CCAA Court issued an order (the "**October 28 Order**"), among other things, authorizing the Monitor, in its discretion, to accept certain Proofs of Claim that were received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar, as applicable.

133. The Monitor has advised that two (2) additional Proofs of Claim with an aggregate asserted value of approximately $4,000 were received by the Monitor after the issuance of the October 28 Order (the "**Further Late Claims**"). The Monitor has advised that each of the Claimants has provided a reasonable basis for the late filing.

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

135. Further information with respect to the Further Late Claims will be provided in the Eighth Report.

XI. CONCLUSION

136. For the reasons stated above, the relief requested in the Meeting Order is in the best interests of the CannTrust Group and its stakeholders and is appropriate in the circumstances.

SWORN BEFORE ME over videoconference on this 5th day of March, 2021. The affiant was located in the City of Mississauga, in the Province of Ontario and the Commissioner was located in the Town of Whitchurch-Stouffville, 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: Trevor Courtis (LSO# 67715A)

This is **Exhibit "A"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

____
A Commissioner for taking affidavits

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

PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION OF CANNTRUST HOLDINGS INC., CANNTRUST INC., and ELMCLIFFE INVESTMENTS INC.

March ●, 2021

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PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the plan of compromise, arrangement and reorganization of CannTrust Holdings, CannTrust Opco and Elmcliffe pursuant to the CCAA and OBCA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the CCAA Plan:

"**Actions**" means the actions and other litigation set out in Schedule A.

"**Additional Settlement Party**" means any Co-Defendant or Insurer that has been designated as an Additional Settlement Party in accordance with Section 7.1 of the CCAA Plan.

"**Affected Claim**" means a Securities Claim or General Unsecured Claim.

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

"**Allocation and Distribution Scheme**" means the allocation and distribution scheme attached as Schedule B, to be included within the terms of, or attached as a schedule to, the Trust Declaration and approved by the CCAA Court pursuant to the CCAA Sanction Order, or such other or different allocation and distribution scheme that is devised by the Trustees and approved by the CCAA Court or the Ontario Court.

"**Applicable Law**" means:

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

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

"**Articles of Reorganization**" means articles of reorganization of CannTrust Holdings to effect, among other things, a change of the name of CannTrust Holdings, the form of which will be approved by the CCAA Sanction Order.

"**Assigned Claims**" means the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims are for loss or damage up to the date of the CCAA Sanction Order and arise from or relate to the Securities-Related Matters.

"**Assigned Claims Related Agreement**" is defined in Section 8.2(p).

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

“California Action” means *Owens v. CannTrust Holdings Inc. et al.,* Court File No. 19CV352374 (California Superior Court, Santa Clara County).

“**CannTrust Group**” means the applicants in the CCAA Proceedings.

“**CannTrust Holdings**” means CannTrust Holdings Inc.

“CannTrust Opco” means CannTrust Inc.

“CannTrust Plan Companies” means CannTrust Holdings, CannTrust Opco and Elmcliffe.

“**Cash Contributions**” means, collectively:

(i) the contribution of $50 million to the Securities Claimant Trust to be made by CannTrust Holdings pursuant to the CCAA Plan; and

(ii) each cash contribution to the Securities Claimant Trust to be made by an Additional Settlement Party, in the amount agreed between the Additional Settlement Party, CCAA Representative Counsel and CannTrust Holdings.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“**CCAA Canadian Representative Counsel**” is defined in the CCAA Representation Order.

“**CCAA Charges**” means all court-ordered charges created by the Initial Order or any subsequent Order in the CCAA Proceedings.

“**CCAA Court**” means the Ontario Superior Court of Justice (Commercial List), in its capacity as the court supervising the CCAA Proceedings.

“**CCAA Plan**” means this plan of compromise, arrangement and reorganization of the CannTrust Plan Companies pursuant to the CCAA and OBCA, including all Schedules.

“**CCAA Priority Payment Claims**” means the claims described in sections 6(3), (5) and (6) of the CCAA.

“**CCAA Proceedings**” means the proceedings commenced by the Initial Order under the CCAA in respect of the CannTrust Group.

“**CCAA Representation Order**” means the Order of the CCAA Court made on January 29, 2021 appointing the CCAA Representatives and CCAA Representative Counsel in the CCAA Proceedings.

“**CCAA Representatives**” is defined in the CCAA Representation Order.

“**CCAA Representative Counsel**” is defined in the CCAA Representation Order.

“**CCAA Sanction Order**” means the Order of the CCAA Court to be made under the CCAA and OBCA, among other things, sanctioning the CCAA Plan, approving the Articles of Reorganization, approving the Allocation and Distribution Scheme, and providing for the releases, injunctions and other relief contemplated in the CCAA Plan, in form and content satisfactory to the CannTrust Plan Companies.

“**CCAA Termination Order (CTI)**” means the Order of the CCAA Court to be made under the CCAA, among other things, terminating the CCAA Proceedings in respect of CTI, in form and content satisfactory to the CannTrust Group.

“**CCAA U.S. Representative Counsel**” is defined in the CCAA Representation Order.

“**Certificate of Amendment**” means the certificate of amendment to be issued under section 186 of the OBCA in respect of the Articles of Reorganization.

“**Claim**” means any right or claim of any Person that may be asserted or made in whole or in part against any of the CannTrust Plan Companies, 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 (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any 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 or claim is executory or anticipatory in nature (including any right or claim in connection with the sale of any securities by CannTrust Holdings or others pursuant to the public distribution of its securities or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise 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 (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 a claim provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had such CannTrust Plan Company become bankrupt on the Filing Date, including any Restructuring Claim, any Securities Claim, any Securities-Related Indemnity Claim and any other Equity Claim against any of the CannTrust Plan Companies.

“**Claims Officer Order**” means the claims officer order of the CCAA Court made in the CCAA Proceedings on February 19, 2021 in respect of the appointment of a claims officer and the determination of certain Claims.

“**Claims Procedure Order**” means the claims procedure order of the CCAA Court made in the CCAA Proceedings on May 8, 2020 and any other order of the CCAA Court made in the CCAA Proceedings in respect of the process governing the proof of claims.

“**Class Action Counsel**” is defined in the RSA.

“**Class Action Lead Plaintiffs**” is defined in the RSA.

“**Co-Defendant**” means, at the relevant time:

(i) any Person named as a defendant in an Action that is not a Settlement Party, and

(ii) any Person that could be named as a co-defendant in an Action based on or arising out of the Securities-Related Matters and who has or could have a Securities-Related Indemnity Claim against a Released Party.

“**Convenience Creditor**” is defined in Section 3.4(3)(a).

“**Cooperation Agreement**” means an agreement between the RSA Parties consistent with the general principles set out in Schedule C, in form and content satisfactory to the RSA Parties.

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

“**CRO**” means FTI Consulting Canada Inc.

“**Cross-Border Action**” is defined in Section 4.4(a).

“CTI” means CTI Holdings (Osoyoos) Inc.

“**D&O Claim**” is defined in the Claims Procedure Order.

“**DIP and Exit Lender**” means the lender or lenders of any DIP and Exit Loan.

“**DIP and Exit Loan**” means any loan or loan facility made available to the CannTrust Group for working capital purposes during and/or after exit from the CCAA Proceedings that is authorized by an Order of the CCAA Court during the CCAA Proceedings.

“**Definitive Documents**” means the CCAA Plan, the Settlement-Related Agreements, the CCAA Sanction Order, the U.S. Approval Order and all other agreements, consents, releases, documents and orders contemplated by, or necessary or desirable to implement the transactions contemplated by, any of the foregoing or the RSA or the RSA Supplemental Letter Agreement.

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

“**Distribution Date**” means a Business Day upon which distributions are made by the CannTrust Plan Companies to General Unsecured Creditors in accordance with the provisions of the CCAA Plan.

“**Distribution Record Date**” means the date that is seven (7) Business Days prior to the Distribution Date.

“**Effective Time**” means such time on the Plan Implementation Date as the CannTrust Plan Companies may determine and designate in the certificate contemplated by Section 9.2.

“**Election Amount**” means $2,500.

“Election Notice” means a duly and timely filed election in the form contemplated by the Meeting Order pursuant to which a General Unsecured Creditor with Proven Claims that are General Unsecured Claims (Opco) exceeding in aggregate the Election Amount elects to receive, subject to the terms and implementation of the CCAA Plan, payment of the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims pursuant to Section 3.4(3).

“Elmcliffe” means Elmcliffe Investments Inc.

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

“**Equity Claim**” means a Claim that constitutes an “equity claim” as that term is defined in section 2 of the CCAA, excluding any Claim by a member of the CannTrust Group against another member of the CannTrust Group.

“Existing Agreement” is defined in Section 8.2(q).

“**Existing Shares**” means, in the case of CannTrust Holdings, the common shares and any other shares or similar securities in its capital immediately prior to the Plan Implementation Date.

“**Filing Date**” means March 31, 2020.

“General Unsecured Claim” means a Claim against any of the CannTrust Plan Companies that is not a Securities Claim, Securities-Related Indemnity Claim, another Equity Claim or an Unaffected Claim.

“**General Unsecured Claim (CannTrust Holdings)**” means a General Unsecured Claim against CannTrust Holdings.

“**General Unsecured Claim (Elmcliffe)**” means a General Unsecured Claim against Elmcliffe.

“**General Unsecured Claim (Opco)**” means a General Unsecured Claim against CannTrust Opco.

“**General Unsecured Creditor**” means a Creditor with a General Unsecured Claim.

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

“**GUC Distribution Pool**” means $1.2 million to fund distributions to General Unsecured Creditors (Opco) with Proven Claims as provided in the CCAA Plan, which amount includes the amount to be held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are Unresolved General Unsecured Claims.

“Initial Distribution Date” means the first Distribution Date determined by the CannTrust Plan Companies, which will be as soon as practicable following the Plan Implementation Date.

“**Initial Order**” means the order obtained from the CCAA Court upon application by the CannTrust Group on the Filing Date commencing the CCAA Proceedings.

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

“**Insurer**” means an insurer that has provided insurance with respect to any Securities-Related Matters to (i) an Original Settlement Party or (ii) a Co-Defendant that is or was a Director of CannTrust Holdings and/or CannTrust Opco.

“**Meeting**” means each of the meetings of Affected Creditors to consider and vote on the CCAA Plan held pursuant to the Meeting Order.

“**Meeting Order**” means the order directing the calling and holding of the Meetings of Affected Creditors to consider and vote on the CCAA Plan in form and content satisfactory to the CannTrust Plan Companies.

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

“**Non-Released CannTrust Claims**” means:

(i) the right to enforce against the applicable CannTrust Plan Company its obligations under the CCAA Plan;

(ii) the right to enforce the Unaffected Claims against the applicable CannTrust Plan Company;

(iii) solely as against a Director in his or her capacity as such, any claim that is not permitted by section 5.1(2) of the CCAA to be compromised;

(iv) any claim against a CannTrust Plan Company for the purchase or supply of goods or services delivered after the Filing Date; and

(v) the right to enforce against the applicable CannTrust Plan Company any agreement in force at the Effective Time that was entered into by such CannTrust Plan Company between the Filing Date and the Plan Implementation Date, or that was entered into prior to the Filing Date and not disclaimed during the CCAA Proceedings pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA or otherwise terminated, subject to the compromise and/or release of any Claim held by any such counterparty under the CCAA Plan.

"**Non-Settlement Party**" means, at the relevant time, any Co-Defendant or Insurer that is not a Settlement Party.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Ontario Class Action**" means *Hrusa et al. v. CannTrust Holdings Inc. et al.,* Court File No. CV-19-00623567-00CP (ON SC).

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

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

"**Original Settlement Parties**" means each member of the CannTrust Group, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation.

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

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

"**Plan Implementation Date**" means the date of the Certificate of Amendment.

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

"**Proven Claim**" means a Claim (or the portion thereof) that has been finally determined:

(i) in the case of a General Unsecured Claim, in accordance with the Claims Procedure Order for voting and distribution purposes;

(ii) in the case of a Securities Claim, in accordance with the Meeting Order for voting purposes and in accordance with the Allocation and Distribution Scheme for distribution purposes; and

(iii) in the case of an Unaffected Claim, in accordance with the Claims Procedure Order for the purpose of any payment thereof or another purpose contemplated by the CCAA Plan.

"**Released Additional Settlement Parties**" means the Additional Settlement Parties and their respective Representatives.

"**Released CannTrust Claims**" means (A) any and all Claims and (B) any and all other demands, claims (including claims for contribution or indemnity and D&O Claims (as defined in the Claims Procedure Order)), 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Released CannTrust Party) that any Affected Creditor or other Person has or may be entitled to assert against any of the Released CannTrust Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under contract or statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any Claim, including any Claim that is enumerated in section 19(2) of the CCAA and that is compromised under the CCAA Plan in accordance with such section as a consequence of the applicable creditor's vote in favour of or other form of consent to the CCAA Plan;

(ii) any of the assets, obligations, business, operations or affairs of a member of the CannTrust Group; or

(iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it),

but excluding Non-Released CannTrust Claims.

"**Released CannTrust Parties**" means the Original Settlement Parties, the other entities in which CannTrust Holdings owns directly or indirectly not less than 50% of the common equity, the Monitor, and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties and the Representatives of each such excluded Director.

"**Released Claims**" means the Released CannTrust Claims and the Released Securities-Related Claims.

"**Released Parties**" means the Released CannTrust Parties and the Released Additional Settlement Parties.

“**Released Securities-Related Claims**” means (A) any and all Securities Claims and Securities-Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Settlement Party) that any Securities Claimant or Co-Defendant has or may be entitled to assert against any of the Released Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under contract or statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any of the Actions;

(ii) any of the Securities Claims, Securities-Related Claims, Securities-Related Indemnity Claims or Securities-Related Matters; or

(iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it),

but excluding Non-Released CannTrust Claims.

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

“**Restructuring Claim**” means any right of any Person against any of the CannTrust Plan Companies in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the disclaimer, restructuring, repudiation or termination after the Filing Date of any contract, lease, agreement or other arrangement, whether written or oral, including any such right of an employee arising as a result of the termination of employment of such employee on or after the Filing Date, provided that a “Restructuring Claim” does not include any Unaffected Claim.

“Restructuring Steps” is defined in Section 4.6.

“**RSA**” means the restructuring support agreement between made as of January 19, 2021 and the related joinder agreement made as of January 29, 2021 between the RSA Parties.

“**RSA Parties**” means the CannTrust Group, the Class Action Lead Plaintiffs, Class Action Counsel, the CCAA Representatives and CCAA Representative Counsel.

"**RSA Supplemental Letter Agreement**" means the supplemental letter agreement dated January 19, 2021 and the related joinder letter made as of January 29, 2021 between the RSA Parties.

"**Schedules**" is defined in Section 1.5.

"**Secured Claims**" means all Proven Claims of a Creditor to the extent that they are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter to the extent permitted by the Initial Order or a further Order of the CCAA Court, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claims are entitled to be proven as secured claims pursuant to the provisions of the CCAA.

"**Securities Claim**" means:

(i) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and

(ii) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

other than a Securities-Related Indemnity Claim.

"**Securities Claimant Trust**" means the trust, to be established pursuant to the Trust Declaration on or before the Plan Implementation Date, to which the Cash Contributions will be paid and the Assigned Claims will be assigned on the Plan Implementation Date for the benefit of Securities Claimants, among others.

"**Securities Claimants**" means the holders of Securities Claims.

"**Securities-Related Claim**" means:

(i) any claim against a Settlement Party or Co-Defendant asserted by a plaintiff or putative plaintiff in an Action; and

(ii) any other claim against a Settlement Party or a Co-Defendant that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

other than a Securities Claim or Securities-Related Indemnity Claim.

“**Securities-Related Indemnity Claim**” means any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or Securities-Related Claim asserted or that could be asserted against such Person or arising from or in connection with any other claim asserted or that could be asserted by a Co-Defendant against such Person.

“**Securities-Related Matters**” means the facts, events and transactions alleged in one or more of the Actions giving rise to the claims asserted therein or that could give rise to claims similar to the ones asserted therein.

“**Securities-Related Section 5.1(2) Claim**” means a Securities-Related Claim against a Director who is a Settlement Party and which claim is not permitted by section 5.1(2) of the CCAA to be compromised.

“**Settlement Parties**” means the Original Settlement Parties and the Additional Settlement Parties.

“**Settlement-Related Agreements**” means the Trust Declaration, the Allocation and Distribution Scheme, the Cooperation Agreement and all other agreements, releases, consents or other documents contemplated by, or necessary or desirable to implement the transactions contemplated by, the CCAA Plan, the RSA or the RSA Supplemental Letter Agreement in relation to the settlement of or otherwise addressing the Securities Claims, the other Released Claims and the Securities-Related Section 5.1(2) Claims, in each case in form and content satisfactory to the RSA Parties.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Trust Declaration**” means the declaration of trust in respect of, among other things, the creation of the Securities Claimant Trust and appointment of the Trustees, in form and content satisfactory to the RSA Parties, acting reasonably.

“**Trustees**” means the individual lawyers from the firms that have been appointed as CCAA Representative Counsel, in their capacity as the trustees of the Securities Claimant Trust, appointed pursuant to the Trust Declaration on the basis contemplated in Section 4.1.

“**Unaffected Claim**” is a Claim identified in Section 2.3.

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

“**Uncashed Distribution**” is defined in Section 6.6(2).

“**Undeliverable Distribution**” is defined in Section 6.6(1).

“**Unresolved General Unsecured Claim**” means a General Unsecured Claim (or the portion thereof) that at the relevant time is not a Proven Claim and is not barred pursuant to the Claims Procedure Order, but in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order.

"**Unresolved General Unsecured Claims Reserve**" is defined in Section 5.2(1).

"U.S. Approval Order" means a court order entered in the U.S. Class Action in form and content satisfactory to the CannTrust Group and CCAA U.S. Representative Counsel:

(i) approving a settlement and final judgment in the U.S. Class Action;

(ii) containing a bar order in customary form containing such judgment reduction provisions as may be required by the *Private Securities Litigation Reform Act*; and

(iii) approving customary broad releases by the putative class of any claims that were or could have been asserted in the Actions (including the California Action).

"U.S. Class Action" means *In Re: CannTrust Holdings Inc. Securities Litigation*, No. 1:19-CV-06396 (JPO).

"**U.S. Class Action Counsel**" is defined in the RSA.

"**U.S. Class Action Lead Plaintiffs**" is defined in the RSA.

"**U.S. Court**" means the United States District Court for the Southern District of New York.

"**U.S. Securities Claimants**" means all Securities Claimants who purchased the publicly traded common shares of CannTrust Holdings on the New York Stock Exchange or on any other U.S. based trading platform.

1.2 <u>Certain Rules of Interpretation</u>

For the purposes of the CCAA Plan:

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

(b) any reference in the CCAA Plan to an Order, an existing agreement or an agreement to be made means such Order or agreement as it may have been or may be amended, modified, joined by additional parties or supplemented (in accordance with its terms or this CCAA Plan, if applicable);

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

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

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

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

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

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

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

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

(k) references to "Affected Creditor", "General Unsecured Creditor", "Secured Creditor" or "Unaffected Creditor" refer to Creditors of the applicable CannTrust Plan Company in such capacity.

1.3 **Successors and Assigns**

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

1.4 **Governing Law and Jurisdiction**

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

1.5 **Schedules**

The following are the schedules to the CCAA Plan (the "**Schedules**"), which are incorporated by reference into the CCAA Plan and form a part of it:

Schedule A – Actions
Schedule B – Allocation and Distributions Scheme
Schedule C – Cooperation Agreement – General Principles
Schedule D – Form of Release in Favour of Released Parties

ARTICLE 2
PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 **Purpose**

The purposes of the CCAA Plan are to:

(a) complete a restructuring of the CannTrust Group by implementing the Restructuring Steps and filing the Articles of Reorganization of CannTrust Holdings;

(b) provide for the payment or compromise, as applicable, of all General Unsecured Claims;

(c) provide for the settlement of all Securities Claims;

(d) provide for the release of all Released Claims and an injunction in respect of all Securities-Related Section 5.1(2) Claims; and

(e) assist the CannTrust Group to continue to operate as a going concern,

in the expectation that Affected Creditors generally will derive a greater benefit from implementation of the CCAA Plan than they would derive from a bankruptcy or liquidation of the CannTrust Group.

2.2 **Affected Claims and Released Claims**

The CCAA Plan provides for the payment or compromise of the Affected Claims (as applicable), a release and discharge of the Released Claims, and an injunction in respect of the Securities-

Related Section 5.1(2) Claims. The CCAA Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the CannTrust Group, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the CCAA Plan.

2.3 Unaffected Claims

Subject to the express provisions hereof providing for the payment or restructuring by separate arrangement of certain Unaffected Claims and the treatment of Insured Claims, the CCAA Plan does not compromise the following (collectively, the "**Unaffected Claims**"):

(a) Claims secured by the CCAA Charges;

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

(c) CCAA Priority Payment Claims;

(d) Claims of a member of the CannTrust Group against another member of the CannTrust Group;

(e) any Claim for or related to the DIP and Exit Loan;

(f) Claims of Directors (but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties) and employees that are owing to them in their capacity as such for or in connection with accrued salary, accrued wages, accrued bonuses, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay and which are not related to the cessation of employment;

(g) subject to and solely as provided in Section 3.6, that portion of a Claim that is not a Securities Claim or Securities-Related Indemnity Claim arising from a cause of action for which the applicable CannTrust Plan Company is covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the CannTrust Plan Company after the Effective Time in respect of such Claim ("**Insured Claims**");

(h) Claims that are not Securities-Related Indemnity Claims by any Director (other than a Director named as a defendant in one or more of the Actions and who is not an Original Settlement Party) under any directors' or officers' indemnity policy or agreement with a CannTrust Plan Company; and

(i) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the CannTrust Group.

Nothing in the CCAA Plan will affect any CannTrust Plan Company's rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims. Unaffected Creditors will not be entitled to vote on the CCAA Plan. Unaffected Claims will be paid in accordance with Section 6.2 or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company.

2.4 **Equity Claims**

At the Effective Time, the CCAA Plan will be binding on all holders of Equity Claims. Except as otherwise expressly provided in this CCAA Plan, the Meeting Order and the CCAA Sanction Order:

(a) holders of Equity Claims will not receive a distribution or other consideration under the CCAA Plan and will not be entitled to vote on the CCAA Plan in respect of their Equity Claims; and

(b) all Equity Claims will be fully, finally, irrevocably and forever released, discharged and barred as of the Effective Time without any compensation of any kind whatsoever.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF AFFECTED CREDITORS AND RELATED MATTERS

3.1 **Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for the purposes of the CCAA Plan will be governed by the Claims Procedure Order, the Claims Officer Order, the Meeting Order, the CCAA, the CCAA Plan and any further Order of the CCAA Court. For the avoidance of doubt, the Claims Procedure Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 **Classification of Creditors**

In accordance with the Meeting Order, Affected Creditors will be divided into four separate classes for the purposes of considering and voting on the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims (Opco);

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe);

(c) a class of Creditors holding General Unsecured Claims (CannTrust Holdings); and

(d) a class of Creditors holding Securities Claims.

3.3 **Meetings of Affected Creditors**

The Meetings will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend a Meeting are those specified in the Meeting Order and any further Order of the CCAA Court.

3.4 **Treatment of General Unsecured Claims**

(1) At the Effective Time, all General Unsecured Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and General Unsecured Creditors with Proven Claims will have the right to receive distributions pursuant to this Section 3.4.

(2) On the Initial Distribution Date (or such later date in accordance with Section 6.4 in respect of any Unresolved General Unsecured Claim that becomes a Proven Claim, if any),

(a) each General Unsecured Creditor of CannTrust Opco with:

(i) Proven Claims that are General Unsecured Claims (Opco) not exceeding in aggregate the Election Amount, or

(ii) Proven Claims that are General Unsecured Claims (Opco) exceeding the aggregate of the Election Amount but which General Unsecured Creditor has duly filed an Election Notice with the Monitor,

will receive, in full satisfaction of such Proven Claims (in each case, a "**Convenience Creditor**"), payment in an amount equal to the lesser of the Election Amount and the actual amount of such Proven Claims;

(b) each General Unsecured Creditor of CannTrust Opco with Proven Claims that are General Unsecured Claims (Opco) and that exceed in aggregate the Election Amount, and which General Unsecured Creditor has not duly filed an Election Notice, will receive in full satisfaction of such Proven Claims, the lesser of:

(i) such General Unsecured Creditor's *pro rata* share of the balance of the GUC Distribution Pool after deducting (i) the amount held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are Unresolved General Unsecured Claims, and (ii) the amounts paid to Convenience Creditors in accordance with Section 3.4(2)(a); and

(ii) 17% of the amount of such General Unsecured Creditor's Proven Claims that are General Unsecured Claims (Opco);

(c) each General Unsecured Creditor of CannTrust Holdings with Proven Claims that are General Unsecured Claims (CannTrust Holdings) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims; and

(d) each General Unsecured Creditor of Elmcliffe with Proven Claims that are General Unsecured Claims (Elmcliffe) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor.

(3) For greater certainty, a General Unsecured Creditor with a Proven Claim will receive distributions as set forth in this Section 3.4 only to the extent that such Proven Claim is not an Equity Claim and has not been paid, released or otherwise satisfied prior to the Effective Time.

3.5 **Treatment of Securities Claims**

(1) At the Effective Time, all Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and Securities Claimants with Proven Claims will be entitled to receive distributions from the Securities Claimant Trust in accordance with the Allocation and Distribution Scheme.

(2) On or before the Effective Time, CannTrust Holdings will:

(a) pay or cause to be paid its Cash Contribution to the Securities Claimant Trust; and

(b) assign its Assigned Claims (if any) to the Securities Claimant Trust.

(3) Subject to the other terms of the CCAA Plan (including the releases and injunctions provided by Article 7), the CCAA Sanction Order and any other Orders of the CCAA Court, the Securities-Related Claims of Securities Claimants against Non-Settlement Parties will not be compromised and Securities Claimants may continue to pursue such Securities-Related Claims against Non-Settlement Parties after the Plan Implementation Date.

3.6 **Insured Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Claim will be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable insurance policies received by the applicable CannTrust Plan Company, and any Person with an Insured Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid from the proceeds of the applicable insurance policies. This Section 3.6 may be relied upon by the CannTrust Plan Companies and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section. Nothing in the CCAA Plan will compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim. Notwithstanding the forgoing, an Affected Claim that includes an Insured Claim may still receive a distribution in respect of the portion of the Affected Claim, if any, that is not an Insured Claim.

3.7 **Unresolved General Unsecured Claims**

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

3.8 **Extinguishment of Claims**

At the Effective Time and in accordance with the terms of this CCAA Plan and the CCAA Sanction Order, the treatment of Affected Claims (including Unresolved General Unsecured Claims), Released Claims and Securities-Related Section 5.1(2) Claims, in each case as set forth herein, will be final and binding on the CannTrust Plan Companies, Affected Creditors and any Person holding a Released Claim or Securities-Related Section 5.1(2) Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged and barred and the CannTrust Plan Companies and the Released Parties will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (i) nothing herein releases the CannTrust Plan Companies from the obligation to make distributions or payments in the manner and to the extent provided for in the CCAA Plan; and (ii) such release and discharge of the CannTrust Plan Companies will be without prejudice to the right of an Affected Creditor in respect of an Unresolved General Unsecured Claim to prove such Unresolved General Unsecured Claim in accordance with the Claims Procedure Order.

3.9 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, indemnity or similar covenant in respect of any Claim that is compromised or released under the CCAA Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised or released under the CCAA Plan will be entitled to any greater rights as against the CannTrust Plan Companies than the Person whose Claim is compromised or released under the CCAA Plan and such claims and rights of such Person will be subject to the releases, injunctions and other provisions of the CCAA Plan and CCAA Sanction Order.

3.10 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the CannTrust Plan Companies will be entitled to set-off from any payments or distributions to be made to a General Unsecured Creditor or Unaffected Creditor hereunder, any amounts that became due and owing to the CannTrust Plan Companies after the Filing Date from such Creditor.

ARTICLE 4
DEFINITIVE DOCUMENTS, LITIGATION ARRANGEMENTS AND RESTRUCTURING STEPS

4.1 Securities Claimant Trust

In relation to the Securities Claimant Trust:

(a) half of the Trustees will be designated by CCAA Canadian Representative Counsel and half of the Trustees will be designated by CCAA U.S. Representative Counsel for appointment pursuant to the Trust Declaration;

(b) the Trustees will appoint CCAA Representative Counsel as counsel to the Securities Claimant Trust; and

(c) from and after the Plan Implementation Date, the Trustees on behalf of the Securities Claimant Trust will have the sole authority to prosecute and resolve the Assigned Claims.

4.2 Settlement-Related Agreements

The Settlement-Related Agreements will:

(a) include releases in favour of the Released Parties in respect of the Released Claims and Securities-Related Section 5.1(2) Claims consistent with the terms of the CCAA Plan;

(b) provide that the Securities Claimants and the Securities Claimant Trust jointly and severally agree and undertake (i) not to seek any damages from any Co-Defendant nor threaten, make or settle any claim or take any proceeding against any other Person, which in either case could result in a Securities-Related Indemnity Claim or any other claim for damages against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the CCAA Sanction Order, and (ii) to obtain a full and final release in favour of the Released Parties, in the form and content of Schedule D, if the Securities Claimants or the Securities Claimant Trust settles with any Non-Settlement Parties;

(c) provide that all fees and costs of the CCAA Representatives, CCAA Representative Counsel, the Trustees and the Securities Claimant Trust, as approved by the CCAA Court, will be paid from amounts held in the Securities Claimant Trust from time to time in accordance with the terms of the Trust Declaration and any other applicable Definitive Document;

(d) provide that when the aggregate amount recovered by Securities Claimants and the Securities Claimant Trust from Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or prosecution of the Actions, the Cross-Border Action and Assigned Claims, exceeds $250 million net of litigation fees and expenses, then CannTrust Holdings will be entitled to be paid up to $50 million in staged amounts from the Securities Claimant Trust (such staged amounts to be agreed between the RSA Parties, acting reasonably, in the Settlement-Related Agreements);

(e) without delay after implementation of the CCAA Plan, CCAA Representative Counsel will cause the Actions in Canada to be dismissed against the Settlement Parties without costs; and

(f) provide that the Securities Claimant Trust and other applicable Persons will take the steps and actions contemplated in Section 4.3.

4.3 **U.S. Class Action and California Action**

(1) With respect to the U.S. Class Action:

(a) U.S. Class Action Lead Plaintiffs and the applicable Released Parties will seek preliminary approval in the U.S. Class Action of the settlement of the applicable Securities Claims and related claims contemplated by this CCAA Plan and the Settlement-Related Agreements and thereafter will seek final approval of the settlement of the U.S. Class Action after the CCAA Sanction Order has been granted. U.S. Class Action Lead Plaintiffs and the applicable Released Parties will cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the U.S. Class Action.

(b) to the extent permitted, notice to the putative class in the U.S. Class Action of the settlement will be given in conjunction with any notice required in connection with the CCAA Plan. If a joint notice is not permitted or feasible, notice will be given to the putative class in the U.S. Class Action in a form as may be agreed between the RSA Parties or as directed by the U.S. Court;

(i) any notice provided in connection with the settlement will caution putative class members that U.S. Class Action Lead Plaintiffs and the applicable Released Parties believe that the claims of any opt-outs will be barred by the CCAA Sanction Order and principles of comity;

(ii) any notice or administration expenses incurred prior to the date that the CCAA Sanction Order is granted will be paid by the CannTrust Plan Companies, and any such expenses incurred on or after such date will be paid by the Securities Claimant Trust (or funded by CCAA Representative Counsel and later reimbursed by the Securities Claimant Trust);

(c) the relevant RSA Parties will jointly seek entry of the U.S. Approval Order and will request that the U.S. Approval Order recite that it is without prejudice to, and does not limit, the applicability of the CCAA Sanction Order;

(d) U.S. Class Action Lead Plaintiffs will request that the U.S. Class Action be stayed against the Non-Settlement Parties to enable the claims against them to be litigated in the Cross-Border Action; and

(e) U.S. Class Action Lead Plaintiffs will request that the U.S. Class Action be dismissed once the Cross-Border Action is filed.

(2) The California Action will be voluntarily dismissed with prejudice.

4.4 **<u>Litigation Cooperation of CannTrust Holdings</u>**

After the CCAA Sanction Order and the U.S. Approval Order are granted, CannTrust Holdings (subject to the terms hereof and the RSA Supplemental Letter Agreement) will consent to orders:

(a) appointing the law firm of Weisz Fell Kour LLP as the Canadian representative for plaintiffs in the U.S. Class Action and allowing U.S. Class Action Counsel, in conjunction with U.S. Class Action Lead Plaintiffs, to, at their option:

(i) commence an action (with Weisz Fell Kour LLP as counsel) in the Ontario Court against any Non-Settlement Parties; or

(ii) establish a subclass in the Ontario Class Action (with Weisz Fell Kour LLP as counsel),

with a class defined in the same way as the class is defined in the U.S. Class Action and subject to U.S. law in respect of the causes of action (the "**Cross-Border Action**");

(b) continuing the CCAA Representation Order permitting the plaintiffs in the Ontario Class Action, the U.S. Class Action, and the Cross-Border Action to settle such actions or to prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of such order;

(c) approving (i) any settlement with the Non-Settlement Parties; (ii) any notice to members of the Ontario Class Action and U.S. Class Action further to any such settlement; (iii) a distribution protocol (i.e. plan of allocation) setting forth the distribution of the funds to class members from such settlement (less Class Action Counsel's fees and litigation expenses); and (iv) Class Action Counsel's request for fees to be paid from such settlement;

(d) permitting the plaintiffs in the Ontario Class Action to apply to the Ontario Court to obtain an expedited hearing for an order granting leave under the *Securities Act* (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(e) at Class Action Counsel's option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Ontario Court to obtain an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the *Class Proceedings Act, 1992* (Ontario) (as necessary) against any Non-Settlement Parties;

(f) directing an expedited hearing date before the Ontario Court of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the *Class Proceedings Act, 1992* (Ontario) (as necessary) or pursuant to the Ontario Court's statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

(g) permitting the Securities Claimant Trust to obtain on an expedited basis a joint trial date for the claims in the Ontario Class Action, Cross-Border Action and any of the Assigned Claims including the claims of the Securities Claimant Trust against any Non-Settlement Parties; and

(h) prohibiting any other action from being commenced or prosecuted in Canada against any Released Parties or any Non-Settlement Parties alleging facts substantially the same or similar as those alleged in the Ontario Class Action, Cross-Border Action or the Assigned Claims held by the Securities Claimant Trust.

4.5 **Articles of Reorganization**

Upon satisfaction or waiver of each of the Plan Implementation Conditions in accordance with Section 9.1, CannTrust Holdings will file its Articles of Reorganization.

4.6 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur and be deemed to have occurred in the order set out below unless otherwise specified in this Section 4.6 and become effective without any further act or formality:

(a) the Articles of Reorganization of CannTrust Holdings will become effective;

(b) to the extent not already paid, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount required to satisfy any CCAA Priority Payment Claims that are due and payable but for the stay of proceedings in the Initial Order and all claims secured by the CCAA Charges (other than the DIP and Exit Loan), which claims will be paid by the CannTrust Plan Companies or Monitor, for and on behalf of the CannTrust Plan Companies, to the respective holders of such claims from such funds within five (5) Business Days after the Plan Implementation Date (unless otherwise agreed with a claim holder);

(c) the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the GUC Distribution Pool (including the amount thereof to be held in the Unresolved General Unsecured Claims Reserve) in accordance with Article 5;

(d) the CannTrust Plan Companies will pay any other amounts that they are required to pay on or before the Effective Time in accordance with the RSA, the CCAA Plan or other applicable agreement;

(e) all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged and barred in accordance with Section 3.8 and Article 7, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.8;

(f) all Securities-Related Section 5.1(2) Claims will be fully, finally, irrevocably and forever enjoined as against the applicable Directors and thereafter such claims may only be asserted against the Securities Claimant Trust;

(g) the arrangements between the DIP and Exit Lender and the CannTrust Group contemplated by Section 9.1(k) in respect of the DIP and Exit Loan will become effective; and

(h) the term of office of those individuals who are Directors of CannTrust Holdings immediately prior to the Effective Time will terminate and the appointment of the individuals designated in the CCAA Sanction Order to replace them will become effective as of the Effective Time,

(collectively, the "**Restructuring Steps**"). The failure of the CCAA Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

4.7 Corporate Approvals

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

ARTICLE 5
CASH POOL AND UNRESOLVED GENERAL UNSECURED CLAIMS

5.1 GUC Distribution Pool

At or before the Effective Time, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount of the GUC Distribution Pool (less the portion thereof to be included in the Unresolved General Unsecured Claims Reserve, which amount will be set aside or delivered to the Monitor pursuant to Section 5.2), from which cash distributions will be made to General Unsecured Creditors (Opco) with Proven Claims on and subject to the terms of Article 6. The Monitor will oversee the distribution of funds from the GUC Distribution Pool in accordance with the provisions of Article 6.

5.2 **Unresolved General Unsecured Claims Reserve**

(1) At or before the Effective Time, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor an amount to be held as a reserve for Unresolved General Unsecured Claims (the "**Unresolved General Unsecured Claims Reserve**"), such amount to be agreed by the Monitor and the CannTrust Plan Companies and from which distributions required by the CCAA Plan in respect of Unresolved General Unsecured Claims will be made if such Unresolved General Unsecured Claims (or parts thereof) are determined to be Proven Claims in accordance with the Claims Procedure Order. In determining the aggregate amount of the Unresolved General Unsecured Claims Reserve, the CannTrust Plan Companies and the Monitor will agree upon a reserve amount in respect of the Unresolved General Unsecured Claims (if any) against each of the CannTrust Plan Companies, with the reserve amount relating to CannTrust Opco being deducted from the GUC Distribution Pool.

(2) The Unresolved General Unsecured Claims Reserve will be held by the CannTrust Plan Companies or the Monitor, as the case may be, for those entitled to a payment from it under the CCAA Plan (and for the CannTrust Plan Companies to the extent of any surplus), and the Monitor will oversee the distribution of funds from the Unresolved General Unsecured Claims in accordance with the provisions of Section 6.4.

ARTICLE 6
DISTRIBUTIONS, PAYMENTS AND CURRENCY

6.1 **Distributions Generally**

All distributions to General Unsecured Creditors and all other payments to be effected pursuant to the CCAA Plan will be made pursuant to this Article 6. Distributions to Securities Claimants will be made pursuant to the Trust Declaration and the Allocation and Distribution Scheme. For greater certainty, all payments and distributions pursuant to this Article 6 will be subject to satisfaction or waiver of the conditions specified in Article 9 and the occurrence of the Effective Time, and will occur or be deemed to occur in accordance with the timing set out in Section 4.6.

6.2 **Payments of Certain Unaffected Claims and Other Amounts**

At or before the Effective Time, the CannTrust Plan Companies will make the following payments by wire transfer of immediately available funds in full satisfaction and discharge of the following:

(a) payment to each holder of a CCAA Priority Payment Claim that is due and payable but for the Initial Order, of all amounts required to satisfy such CCAA Priority Payment Claim in full;

(b) payment in full of all claims secured by the CCAA Charges, other than the DIP and Exit Loan; and

(c) payment of any other amounts required to be paid in accordance with the CCAA or the CCAA Plan at or before the Effective Time (including the Cash Contribution by CannTrust Holdings).

6.3 **Distribution Mechanics for Affected Claims**

(1) In accordance with Section 3.4, the CannTrust Plan Companies, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the CannTrust Plan Companies, will distribute to each General Unsecured Creditor with a Proven Claim the amount to which it is entitled hereunder by way of (in the sole discretion of the CannTrust Plan Companies or Monitor, as applicable): (i) cheque sent by prepaid ordinary mail to the address on file with the CannTrust Plan Companies on the Distribution Record Date; or (ii) wire transfer of immediately available funds to an account designated in writing by the General Unsecured Creditor to the CannTrust Plan Companies and the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount). No distribution will be made for an amount less than $10. The CannTrust Plan Companies' liability to a General Unsecured Creditor for any distribution in an amount less than $10 will be forever discharged and extinguished.

6.4 **Distributions in Respect of Unresolved General Unsecured Claims**

(2) The Unresolved General Unsecured Claims Reserve (as may be reduced from time to time as Unresolved General Unsecured Claims are ultimately resolved) will be set aside by the CannTrust Plan Companies (pursuant to arrangements satisfactory to the Monitor) or held by the Monitor, in trust, until the final determination of all Unresolved General Unsecured Claims in accordance with the Claims Procedure Order.

(3) To the extent that an Unresolved General Unsecured Claim becomes a Proven Claim, the CannTrust Plan Companies, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the CannTrust Plan Companies, will distribute to the holder thereof an amount from the Unresolved General Unsecured Claims Reserve equal to the amount that such Creditor would have been entitled to receive in respect of its Proven Claim on the Initial Distribution Date had such Unresolved General Unsecured Claim been a Proven Claim on the Initial Distribution Date.

(4) After all Unresolved General Unsecured Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to General Unsecured Claims that are Proven Claims, the amounts remaining in the GUC Distribution Pool and Unresolved General Unsecured Claims Reserve will no longer be required to be set aside by the CannTrust Plan Companies and, if held by the Monitor, will be returned to the CannTrust Plan Companies.

6.5 Allocation of Distributions

All distributions made pursuant to the CCAA Plan to General Unsecured Creditors will be allocated first towards the repayment of the amount of the General Unsecured Claim attributable to principal and, if greater than the amount of principal, then second towards the repayment of any amount of such General Unsecured Claim attributable to unpaid interest.

6.6 Treatment of Unclaimed Distributions

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

(2) If any cheque in payment of a distribution to an Affected Creditor under this Article 6 is not cashed within six (6) months after the date of the applicable Distribution Date (an "**Uncashed Distribution**"):

(a) such cheque may be cancelled by the CannTrust Plan Companies or the Monitor, as applicable, after which date any entitlement with respect to such distribution will be forever discharged and forever barred and the obligations of the CannTrust Plan Companies and Monitor with respect thereto will expire, without any compensation therefor, notwithstanding any Applicable Laws to the contrary; and

(b) the amount otherwise payable pursuant to such cancelled cheque will be released to the CannTrust Plan Companies.

For greater clarity, nothing herein will require the CannTrust Plan Companies or the Monitor to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

6.7 Withholding Rights

The CannTrust Plan Companies and any other Person facilitating payments pursuant to the CCAA Plan will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the CannTrust Plan Companies (or the Monitor on their behalf) will deduct from any distribution to a Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the CannTrust Plan Companies on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the CannTrust Plan Companies of information satisfactory to it (in their sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent any of the CannTrust Plan Companies or any other Person deducts or withholds amounts pursuant to this Section 6.7. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

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

At the Effective Time, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing any Affected Claims, Released Claims or Securities-Related Section 5.1(2) Claims (and all guarantees associated with any of the foregoing) will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the CCAA Plan and will be deemed cancelled and extinguished and be null and void.

6.9 **Calculations**

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

6.10 **Currency Matters**

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

ARTICLE 7
RELEASES AND ADDITIONAL SETTLEMENT PARTIES

7.1 Additional Settlement Parties

(1) By written agreement between CannTrust Holdings and CCAA Representative Counsel (such agreement not to be unreasonably withheld) entered into prior to the Meetings, a Co-Defendant or Insurer may be designated as an Additional Settlement Party for the purposes of the CCAA Plan if such proposed Additional Settlement Party has signed a restructuring support agreement, in form and content satisfactory to the RSA Parties, acting reasonably, pursuant to which such proposed Additional Settlement Party has agreed, among other things:

(a) to make a Cash Contribution to the Securities Claimant Trust on the Plan Implementation Date in an amount acceptable to CCAA Representative Counsel;

(b) to assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date; and

(c) to support the CCAA Plan in a manner consistent with the RSA.

(2) Subject to Section 7.1(4), any Co-Defendant or Insurer designated as an Additional Settlement Party pursuant to Section 7.1(1) will be treated as a Released Party pursuant to this CCAA Plan and the CCAA Sanction Order.

(3) After a Co-Defendant or Insurer is designated as an Additional Settlement Party pursuant to Section 7.1(1), the CannTrust Plan Companies will amend the CCAA Plan by adding such Co-Defendant or Insurer to the definition of Additional Settlement Party and cause the amendment to be filed and posted in accordance with Section 10.3(4).

(4) If a Co-Defendant or Insurer designated as an Additional Settlement Party has not paid its Cash Contribution to the Securities Claimant Trust and/or has not assigned its Assigned Claims (if any) to the Securities Claimant Trust at the Effective Time, such Co-Defendant or Insurer shall not be treated as a Released Party pursuant to the CCAA Plan and the CCAA Sanction Order until such Co-Defendant or Insurer has paid its Cash Contribution to the Securities Claimant Trust and has assigned its Assigned Claims (if any) to the Securities Claimant Trust.

7.2 Plan Releases

At the Effective Time, the Released Parties will be fully, finally, irrevocably and forever released and discharged from all Released Claims.

7.3 Injunctions

(1) From and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined: (i) with respect to any and all Released Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any

action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) with respect to any and all Released Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) with respect to any and all Released Claims other than Released Securities-Related Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (iv) with respect to any and all Released Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; and (v) with respect to any and all Released Claims from taking any actions to interfere with the implementation or consummation of the CCAA Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

(2) From and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined: (i) with respect to any and all Securities-Related Section 5.1(2) Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Directors who are Original Settlement Parties; (ii) with respect to any and all Securities-Related Section 5.1(2) Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Directors who are Original Settlement Parties or their property; (iii) with respect to any and all Securities-Related Section 5.1(2) Claims other than Released Securities-Related Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Directors who are Original Settlement Parties; and (iv) with respect to any and all Securities-Related Section 5.1(2) Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Directors who are Original Settlement Parties.

ARTICLE 8
COURT SANCTION

8.1 Application for CCAA Sanction Order

If the CCAA Plan is approved by the required majorities of Affected Creditors in accordance with the Meeting Order and the CCAA, the CannTrust Plan Companies will apply for the CCAA Sanction Order on or before the date set for the CCAA Sanction Order hearing in the Meeting Order (if any) or on such other date as the CCAA Court may set.

8.2 CCAA Sanction Order

The CannTrust Plan Companies will apply for a CCAA Sanction Order that will, among other things:

(a) declare that (i) the CCAA Plan has been approved by the required majorities of Affected Creditors in accordance with the Meeting Order and the CCAA; (ii) each member of the CannTrust Group has complied with the provisions of the CCAA and the Orders of the CCAA Court made in the CCAA Proceedings in all respects; (iii) neither the CannTrust Group nor Monitor has done or purported to do anything that is not authorized by the CCAA; and (iv) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby are sanctioned and approved;

(c) declare that the articles of CannTrust Holdings will be amended as set out in the Articles of Reorganization as of the Effective Time;

(d) declare that all warrants, options and agreements to purchase Existing Shares are of no further force or effect as of the Effective Time;

(e) approve and authorize the Restructuring Steps;

(f) designate the individuals to become directors of CannTrust Holdings at the Effective Time;

(g) order that the Trust Declaration and the Allocation and Distribution Scheme are each approved and deemed effective as of the Effective Time, and that the Trustees are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the transactions contemplated by the CCAA Plan, the Trust Declaration and the Allocation and Distribution Scheme in accordance with and subject to their respective terms and conditions;

(h) order that, as of the Effective Time, any and all Affected Claims are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged and barred, and the ability of any Person to proceed against any of the

CannTrust Plan Companies in respect of or relating to any Affected Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, excepting only any proceeding to enforce the obligation of the CannTrust Plan Companies to make payments and distributions in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan and the CCAA Sanction Order;

(i) order that, as of the Effective Time, any and all Released Claims are and are deemed to be fully, finally, irrevocably and forever released, discharged and barred, and the ability of any Person to proceed against any of the Released Parties in respect of or relating to any Released Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Released Claims are permanently stayed;

(j) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined: (i) with respect to any and all Released Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) with respect to any and all Released Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) with respect to any and all Released Claims other than Released Securities-Related Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; and (iv) with respect to any and all Released Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property;

(k) order that each Person having a Securities-Related Section 5.1(2) Claim will be limited to recovering solely from the Securities Claimant Trust in respect of such Securities-Related Section 5.1(2) Claim in accordance with the CCAA Plan and Definitive Documents, and such Person will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Securities-Related Section 5.1(2) Claim;

(l) order that any Person that did not file a proof of claim in respect of a Claim by the applicable bar date in accordance with the Claims Procedure Order, and any Person with a General Unsecured Claim that is not a Proven Claim or Unresolved

General Unsecured Claim at the Effective Time, is fully, finally, irrevocably and forever barred, estopped, stayed and enjoined from making any such Claim and is not be entitled to any consideration under the CCAA Plan, and such Person's Claim is fully, finally, irrevocably and forever barred and extinguished;

(m) authorize the CannTrust Plan Companies and the Monitor to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan in accordance with and subject to its terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan;

(n) declare that each of the CCAA Charges will be terminated, discharged, expunged and released at the applicable time set out in the CCAA Sanction Order;

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

(p) order that, as of the Effective Time, (i) all of the rights and obligations of CannTrust Holdings and each Settlement Party to and in respect of the Assigned Claims shall be assigned to and assumed by the Securities Claimant Trust and such assignment is valid and binding upon the applicable Non-Settlement Parties in respect of such Assigned Claims notwithstanding any restriction or prohibition contained in any insurance policy, underwriting agreement, audit engagement letter or other agreement relating to the assignment thereof (an "**Assigned Claims Related Agreement**"), including any provision requiring the consent of any party to an assignment, (ii) the counterparties to the Assigned Claims Related Agreements are prohibited from exercising any rights or remedies under the Assigned Claims Related Agreements and shall be forever barred, estopped, stayed and enjoined from taking such action, by reason of:

(A) any restriction, condition or prohibition contained in any such Assigned Claim Related Agreement relating to the assignment thereof;

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

(C) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA;

(D) any compromises or arrangements effected pursuant to the CCAA Plan or any action taken or transaction effected pursuant to the CCAA Plan (including the compromise or release of any Affected Claim or Released Claim arising under such Assigned Claim Related Agreement);

(E) any change in the control of the CannTrust Group arising from the implementation of the CCAA Plan;

and (iii) such counterparties are hereby deemed to waive any defaults relating thereto.

(q) declare that all contracts, leases and other agreements and arrangements to which any member of the CannTrust Group or 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**") is a party, whether written or oral (each, including any and all amendments or supplements thereto, an "**Existing Agreement**") that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time (except for all Affected Claims and Released Claims thereunder that have been compromised and released), and no Person who is a party to any such Existing Agreement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Existing Agreement and no automatic termination will have any validity or effect, as against any member of the CannTrust Group, an Affected Party or any Released Party that is a party thereto, by reason of (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of any member of the CannTrust Group); (ii) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA; (iii) any compromises or arrangements effected pursuant to the CCAA Plan (including the compromise or release of any Claim arising under such Existing Agreement) or any action taken or transaction effected pursuant to the CCAA Plan; or (iv) any change in the control of the CannTrust Group or the Affected Parties arising from the implementation of the CCAA Plan;

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

(s) approve the conduct of the CRO and the Directors of each member of the CannTrust Group during the CCAA Proceedings;

(t) approve all conduct of the Monitor and the Monitor's Representatives in relation to the CannTrust Group and bar all claims against them arising from or relating to the services provided to the CannTrust Group up to and including the date of the CCAA Sanction Order; and

(u) declare that the CannTrust Group and the Monitor may apply to the CCAA Court for advice and direction in respect of any matters arising from or in relation to the CCAA Plan.

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

The CCAA Plan is subject to the satisfaction of the following conditions (the "**Plan Implementation Conditions**"), which may be waived (except in the case of Sections 9.1(a) and (b) below which may not be waived) only by the CannTrust Plan Companies in writing:

(a) the CCAA Plan will have been approved by the Affected Creditors;

(b) the CCAA Sanction Order will have been issued by the CCAA Court, consistent with the terms of Section 8.2, with such amendments as may be acceptable to the CannTrust Plan Companies;

(c) the CCAA Termination Order (CTI) will have been issued by the CCAA Court;

(d) the U.S. Approval Order will have been entered in the U.S. Class Action;

(e) all applicable appeal periods in respect of the CCAA Sanction Order and the U.S. Approval Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellate tribunal;

(f) the Trust Declaration will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(g) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust and the Original Settlement Parties will have assigned their Assigned Claims, if any, to the Securities Claimant Trust;

(h) the terms of the Settlement-Related Agreements and any other Definitive Documents not otherwise expressly addressed in this Section 9.1 will have been settled in form and substance satisfactory to each of the RSA Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document);

(i) each of the conditions precedent to the closing of the transaction provided in the RSA will have been satisfied or waived in accordance with the terms of the RSA;

(j) the matters contemplated in the RSA Supplemental Letter Agreement to be completed before or as a condition to the implementation of the CCAA Plan have been satisfied or waived in accordance with the terms of the RSA Supplemental Letter Agreement;

(k) arrangements satisfactory to the DIP and Exit Lender and the CannTrust Group in respect of the terms governing the DIP and Exit Loan from and after the Plan Implementation Date will have become effective, subject only to the occurrence of the Plan Implementation Date;

(l) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the CannTrust Plan Companies acting reasonably, are necessary to implement the provisions of the CCAA Plan, the CCAA Sanction Order and the CCAA Termination Order (CTI);

(m) no action or proceeding will be pending by any third party to enjoin or prohibit the implementation of the CCAA Plan; and

(n) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the CannTrust Plan Companies, in form and substance satisfactory to the CannTrust Plan Companies.

9.2 CannTrust Plan Companies' Certificate – Plan Implementation

Upon receipt of the Certificate of Amendment, the CannTrust Plan Companies will deliver to the Monitor and file with the CCAA Court, a copy of a certificate (i) stating that each of the Plan Implementation Conditions has been satisfied or waived and that the Articles of Reorganization has been filed and have become effective as of the date set out in the Certificate of Amendment, and (ii) designating an Effective Time on the Plan Implementation Date.

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

As soon as practicable following the occurrence of the Effective Time, the Monitor will serve on the service list in the CCAA Proceedings and post on the Monitor's website a certificate confirming that the Plan Implementation Date has occurred and the time of the Effective Time, and will file such certificate with the CCAA Court as soon as practicable after it has been served and posted.

ARTICLE 10
GENERAL

10.1 **Binding Effect**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.6, the CCAA Plan will become effective and binding on and enure to the benefit of the CannTrust Plan Companies, the Affected Creditors, the Released Parties and any other Person named or referred to in or subject to the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time:

(a) the treatment of Affected Claims, Released Claims and Securities-Related Section 5.1(2) Claims under the CCAA Plan will be final and binding for all purposes upon and enure to the benefit of the CannTrust Plan Companies, the Affected Creditors, the Released Parties and all other Persons named or referred to in or subject to the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

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

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

(d) each Affected Creditor and each Person holding a Released Claim or Securities-Related Section 5.1(2) Claim will be deemed to have:

(i) consented and agreed to all of the provisions of the CCAA Plan in its entirety;

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

(iii) waived any default by or rescinded any demand for payment against any CannTrust Plan Company that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim or Securities-Related Section 5.1(2) Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Securities-Related Section 5.1(2) Claim (as the case may be); and

(iv) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing as at the moment before the Effective Time between such Affected Creditor or Person holding a Released Claim or Securities-Related Section 5.1(2) Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Securities-Related Section 5.1(2) Claim (as the case may be) and the provisions of the CCAA Plan, then the provisions of the CCAA Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

10.2 **Deeming Provisions**

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

10.3 **Modification of the CCAA Plan**

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

(2) Notwithstanding Section 10.3(1), after the Meetings and before the Plan Implementation Date the CannTrust Plan Companies may amend, restate, modify and/or supplement the CCAA Plan with the consent of the Monitor, without the consent of the Affected Creditors or approval of the CCAA Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the CCAA Court; (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings; (iii) does not materially decrease the anticipated recovery of Affected Creditors under the CCAA Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor; and (iv) does not amend the Plan Implementation Conditions.

(3) Notwithstanding Sections 10.3(1) and (2), any amendment, restatement, modification or supplement to the CCAA Plan may be made by the CannTrust Plan Companies at any time and from time to time with the consent of the Monitor, without the consent of the Affected Creditors or approval of the CCAA Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the CCAA Court; (ii) is

posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings; and (iii) (A) concerns a matter which is of an administrative nature required to better give effect to the implementation of the CCAA Plan, or (B) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors as determined by the Monitor.

(4) Notwithstanding Sections 10.3(1), (2) and (3), the CannTrust Plan Companies may amend the CCAA Plan pursuant to Section 7.1(3), provided that such amendment (i) is filed with the CCAA Court; and (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings.

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

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

(a) the CCAA Plan or the CCAA Sanction Order; and

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

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

10.5 **Severability of Plan Provisions**

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

10.6 **Protections of the Monitor**

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

10.7 **Different Capacities**

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

10.8 **Notices**

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

If to any of the CannTrust Plan Companies:

c/o CannTrust Holdings Inc.
3280 Langstaff Road, Unit 1
Vaughan, ON L4K 4Z8

Attention: David Blair, Chief Financial Officer

Fax: 647-872-2315
Email: dblair@canntrust.ca

With copies to (which will not constitute notice)

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

Fax: 416-868-0673

Attention: James D. Gage and Shane D'Souza
Email: jgage@mccarthy.ca and sdsouza@mccarthy.ca

If to an Affected Creditor: to the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the CannTrust Plan Companies or the Monitor;

If to the Monitor:

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

Attention: Alex Morrison
Email: canntrust.monitor@ca.ey.com

With copies to (which will not constitute notice)

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Steven L. Graff and Jonathan Yantzi
Email: sgraff@airdberlis.com and jyantzi@airdberlis.com

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

10.9 **Further Assurances**

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

10.10 **Language**

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

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

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

10.12 **Non-Consummation of the CCAA Plan**

If the CCAA Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the CCAA Plan and no act taken in preparation for the implementation of the CCAA Plan will:

(a) constitute or be deemed to constitute a waiver or release of any Claims by or against any member of the CannTrust Group or any other Person;

(b) prejudice the rights of any member of the CannTrust Group or any other Person in any further proceeding involving any member of the CannTrust Group; or

(c) constitute an admission of any sort by any member of the CannTrust Group or any other Person.

DATED as of the ● day of March, 2021.

CannTrust Holdings Inc.

CannTrust Inc.

Elmcliffe Investments Inc.

SCHEDULE A
ACTIONS

Hrusa et al. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00623567-00CP (ON SC)

Webb v. CannTrust Holdings Inc. et al., Court File No. CV-19-1554 (ON SC)

Jeff Dyck v. CannTrust Holdings Inc. et al., Court File No. 217559 (BC SC)

Selanders v. CannTrust Holdings Inc. et al., Court File No. 1910983 (AB QB)

Diran Avedian v. CannTrust Holdings Inc. et al., Court File No. 500-06-001011-192 (QC CS)

Zola Finance Holdings Ltd. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00002329-00CP (ON SC)

In Re: CannTrust Holdings Inc. Securities Litigation, No. 1:19-CV-06396 (JPO)

Alvarado v. CannTrust Holdings Inc. et al., 1:19-CV-6438 (JPO)

Jones v. CannTrust Holdings Inc. et al., 1:19-CV-6883 (JPO)

Justiss v. CannTrust Holdings Inc. et al., 1:19-CV-7164 (JPO)

Huang v. CannTrust Holdings Inc. et al., 1:19-CV-6396 (JPO)

Owens v. CannTrust Holdings Inc. et al., Court File No. 19CV352374 (California Superior Court, Santa Clara County)

SCHEDULE B
ALLOCATION AND DISTRIBUTIONS SCHEME

ALLOCATION AND DISTRIBUTION SCHEME
Distribution of Class Compensation Fund to Members

I. DEFINITIONS

1. The following definitions apply in this Allocation and Distribution Scheme:

(a) **"CannTrust"** means CannTrust Holdings, Inc;

(b) **"CannTrust Group"** means CannTrust, CannTrust Inc., CTI Holdings (Osoyoos) Inc. and Elmcliffe Investments Inc;

(c) **"Claim Form"** means a written claim in the provided form for seeking compensation from the Class Compensation Fund;

(d) **"Claimant"** means any Person making a claim as purporting to be a Class Member or on behalf of a Class Member;

(e) **"Claims Administrator"** means ●;

(f) **"Class Compensation Fund"** means the Class Settlement Amount less Class Counsel Fees, and all fees, disbursements, expenses, costs, taxes, any other amounts incurred or payable relating to approval, implementation and administration of the settlement including, without limitation, the costs, fees, and expenses of notice to class members, and the fees, expenses, disbursements and taxes paid to the Claims Administrator for administration of the Class Settlement Amount, the Holdback and any other expenses ordered by the courts;

(g) **"Class Counsel"** means Ontario Class Action Counsel and U.S. Class Action Counsel;

(h) **"Class Counsel Fees"** means the aggregate fees and expense disbursements (including taxes) of Class Counsel;

(i) **"Class Member(s)"** means any Person that acquired Shares during the Class Period;

(j) **"Class Period"** means the time period from June 1, 2018 through September 17, 2019, inclusive;

(k) **"Class Settlement Amount"** means CAD $50,000,000, plus any accrued interest;

(l) **"Eligible Securities"** means Shares acquired by a Class Member during the Class Period. The date of purchase or acquisition shall be the "contract" or "trade" date as opposed to the "settlement" or "payment" date;

(m) **"Excluded Claim"** means any of the following:

(i) a claim in respect of a purchase or acquisition of securities that are not Eligible Securities; or

(ii) a claim by or on behalf of any Excluded Person;

(n) **"Excluded Person(s)"** means

(i) CannTrust, Cannamed Financial Corp, Cajun Capital Corporation, KMPG LLP, Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., RBC Dominion Securities Inc., Jefferies Securities Inc., Canaccord Genuity Corp., their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns (the "**Corporate Defendants**"); and

(ii) Eric Paul, Peter Aceto, Greg Guyatt, Ian Abramowitz, Mark Dawber, John Kaden, Mark Ian Litwin, Fred Litwin Robert Marcovitch, Mitchell J. Sanders, Stan Abramowitz, Brad Rogers, Michael Ravensdale, Shawna Page, Ilana Platt, Graham Lee, and any member of their families ("**Individual Defendants**") and any company under the control of an Individual Defendant;

(o) **"FIFO"** means the method applied to the holdings of Class Members who made multiple purchases/acquisitions or sales. If a Class Member has more than one purchase/acquisition or sale of CannTrust common stock, purchases/acquisitions and sales will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. A purchase/acquisition or sale of Shares shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of CannTrust common stock purchased or sold through the exercise of an option, the purchase/sale date of the CannTrust common stock is the exercise date of the option and the purchase/sale price of the CannTrust common stock is the exercise price of the option;

(p) **"Holdback"** is the amount held back, at the discretion of the Trustees, to fund litigation expenses, disbursements, taxes, adverse costs awards, and/or other liabilities;

(q) **"Ontario Class Action Counsel"** means Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP;

(r) **"Person"** means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity;

(s) **"Plan"** means the plan of compromise, arrangement and reorganization of the CannTrust Group pursuant to the Companies' Creditors Arrangement Act;

(t) **“Purchase Price”** means the price at which the Claimant purchased or acquired Shares, excluding commissions, taxes, or fees paid in respect of the purchase/acquisition;

(u) **“Recognized Claim”** means a Claimant’s nominal losses as calculated pursuant to the formulas set forth herein and which forms the basis for each Claimant’s pro rata share of the Class Compensation Fund;

(v) **“Recognized Loss Amount”** is the amount calculated pursuant to paragraph 10(c);

(w) **“Risk Adjusted Loss”** is the amount calculated pursuant to paragraph 10(d);

(x) **“Sale Price”** means the price at which the Claimant disposed of Shares, excluding commissions, taxes, or fees paid in respect of the disposition;

(y) **“Trustees”** has the meaning ascribed to it in the Plan;

(z) **“Share(s)”** means common stock shares of CannTrust;

(aa) **“Share Inflation”** means the artificial inflation per share found in Table C; and

(bb) **“U.S. Class Action Counsel”** means Labaton Sucharow LLP and Weisz Fell Kour LLP.

2. The Claims Administrator shall distribute the Class Compensation Fund as set out below.

II. OBJECTIVE

3. The objective of this Allocation and Distribution Scheme is to equitably distribute the Class Compensation Fund among Class Members that submit valid and timely claims for Eligible Securities.

III. DEADLINE FOR CLAIMS

4. Any Person that wishes to claim compensation from the Class Compensation Fund shall deliver to, or otherwise provide, the Claims Administrator a Claim Form by ●, 2021 or such other date set by the Court. If the Claims Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Class Compensation Fund. Notwithstanding the foregoing, the Claims Administrator shall have the discretion to permit otherwise-valid late claims without further order of the Court, but only if doing so will not materially delay the distribution of the Class Compensation Fund.

IV. PROCESSING CLAIM FORMS

5. The Claims Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Class Compensation Fund, as follows:

(a) for a Claimant claiming as a Class Member, the Claims Administrator shall be satisfied that:

(i) the Claimant is a Class Member; and

(ii) the claim is not an Excluded Claim;

(b) for a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Claims Administrator shall be satisfied that:

(i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;

(ii) the Person or estate on whose behalf the claim was submitted was a Class Member; and

(iii) the claim is not an Excluded Claim.

(c) the Claimant has provided all supporting documentation required by the Claim Form or alternative documentation that is acceptable to the Claims Administrator.

6. The Claims Administrator shall take reasonable measures to verify that the Claimants are eligible for compensation and that the information in the Claims Forms is accurate. The Claims Administrator may make inquiries of the Claimants in the event of any concerns, ambiguities or inconsistencies in the Claim Forms and disallow claims that are not eligible.

V. ALLOCATION OF CLASS COMPENSATION FUND

7. Only Claimants that the Claims Administrator has determined to be eligible for compensation as set forth herein are entitled to recover compensation from the Class Compensation Fund.

8. Only claims in respect of Eligible Securities are entitled to receive compensation from the Class Compensation Fund.

9. As soon as possible after (i) all timely Claim Forms have been processed (and those otherwise-valid late Claim Forms that the Claims Administrator has exercised its discretion to

permit); (ii) the time to request a reconsideration for disallowed claims under paragraphs 26-27 has expired; and (iii) all administrative reviews under paragraphs 28-29 have concluded, the Claims Administrator shall distribute the Class Compensation Fund to eligible Claimants.

10. The Claims Administrator shall determine each Claimant's Recognized Claim as follows, subject to the Additional Rules set out at paragraphs 14-19.

(a) Purchase/acquisition and sale amounts in currencies other than Canadian dollars will be converted to equivalent Canadian dollar amounts as needed using publicly available currency exchange rates and in consultation with Class Counsel.[1]

(b) Eligible Securities are those purchased in CannTrust's May 2019 share offering (**"Offering Shares**") and those purchased on the secondary market (**"Secondary Shares**").

(c) The "**Recognized Loss Amount"** per Offering Share and Secondary Share purchased/acquired during the Class Period is calculated as follows, with reference to the Share Inflation as set out in Table C at paragraph 11. The Recognized Loss Amount for any particular disposition of Eligible Securities shall be no less than zero.

TABLE A

Date of Sale of Shares acquired during the Class Period	Recognized Loss Amount per Share
June 1, 2018 – July 7, 2019	$0
July 8, 2019 – September 16, 2019	The lesser of: (i) the Share Inflation on the date of purchase minus the Share Inflation on the date of sale; or (ii) the Purchase Price minus the Sale Price.

[1] For informational purposes, during the Class Period, the USD/CAD exchange rate ranged from CAD$1.28 to CAD$1.36 per US$1.00 with an average of CAD$1.32 per US$1.00. After the Class Period and through March 4, 2021, the USD/CAD exchange rate ranged from CAD$1.25 to CAD$1.45 per US$1.00 with an average of CAD$1.33 per US$1.00.

Date of Sale of Shares acquired during the Class Period	Recognized Loss Amount per Share
September 17, 2019 – September 30, 2019	The lesser of: (i) the Share Inflation on the date of purchase; or (ii) the Purchase Price minus the Sale Price.
October 1, 2019 – March 5, 2021	The lesser of (i) the Share Inflation on the date of purchase; (ii) the Purchase Price minus CAD$1.70; or (iii) the Purchase Price minus the Sale Price.
Held as of the closing on March 5, 2021	The lesser of (i) the Share Inflation on date of purchase; or (ii) the Purchase Price minus CAD$1.70.

(d) The Recognized Loss Amounts for Offering Shares and Secondary Shares are multiplied by the risk adjustment in the following chart to obtain the "**Risk Adjusted Loss**":

TABLE B

Type of Share	Risk Adjustment
Offering Share	1
Secondary Share	0.8

(e) A Claimant's Recognized Claim is equal to the sum of the Risk Adjusted Loss for each type of share.

11. The applicable Share Inflation amounts are as follows:

TABLE C – SHARE INFLATION	
June 1, 2018 – September 30, 2018	CAD$1.29
October 1, 2018 – July 7, 2019	CAD$5.02

TABLE C – SHARE INFLATION	
July 8, 2019 – July 9, 2019	CAD$3.57
July 10, 2019 – July 11, 2019	CAD$3.05
July 12, 2019 – July 15, 2019	CAD$2.57
July 16, 2019 – July 23, 2019	CAD$2.09
July 24, 2019 – August 11, 2019	CAD$1.41
August 12, 2019 – September 16, 2019	CAD$0.24
September 17, 2019 before 3:13 p.m. ET[2]	CAD$0.24
September 17, 2019 at or after 3:13 p.m. ET and thereafter	CAD$0.00

12. The Claims Administrator shall allocate the Class Compensation Fund on a pro-rata basis to eligible Claimants based upon each eligible Claimant's Recognized Claim.

13. The Claims Administrator shall make payments to the eligible Claimants based on the allocation under paragraph 12, subject to the Additional Rules set forth below.

VI. ADDITIONAL RULES

14. The Claims Administrator shall not make payments to eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is less than CAD$50.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is equal or greater than CAD$50.00.

15. To the extent a Claimant had an aggregate market gain from his, her or its transactions in Eligible Securities, the value of his, her or its total Recognized Claim will be zero. To the extent that a Claimant suffered an aggregate market loss on transactions in Eligible Securities, but the aggregate market loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the aggregate market loss. For purposes of determining

[2] Trading at prices at or below CAD$1.85 will be deemed to have occurred after 3:13 p.m. ET.

whether a Claimant had a market gain with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount and (ii) the sum of the Total Sales Proceeds and Holding Value.[3] This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period.

16. There shall be no Recognized Loss Amount on (a) short sales of Eligible Securities during the Class Period or (b) purchases/acquisitions during the Class Period that were used to cover short sales; however, the short sale transactions shall be part of the calculation of a Claimant's aggregate market gain or loss.

17. The receipt or grant by gift, devise or inheritance of Shares during the Class Period shall not be deemed to be a purchase or acquisition of Shares for the calculation of a Claimant's Recognized Loss Amount if the Person from which the Shares were acquired did not themselves acquire the Shares during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Shares unless specifically provided in the instrument or gift or assignment.

18. Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating a Recognized Loss Amount unless those Shares were initially purchased by the Claimant during the Class Period.

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[3] The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions, taxes, and fees) for CannTrust common stock purchased or acquired during the Class Period. The Claims Administrator will match any sales of CannTrust common stock during the Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions, taxes, and fees) for the remaining sales of CannTrust common stock sold during the Class Period will be the "Total Sales Proceeds". The Claims Administrator will ascribe a value of CAD$1.70 per share for CannTrust common stock purchased during the Class Period and still held as of the close of trading on September 17, 2019 (the "Holding Value"). The Holding Value is based on the closing price of CannTrust common stock on September 17, 2019, the last day of the Class Period.

The share price for such securities shall be calculated based on the share price initially paid for the Eligible Securities.

19. The Claims Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant.

VII. REMAINING UNCLAIMED AMOUNTS

20. If, for any reason, a Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with paragraphs 21-22.

21. If funds remain in the Class Compensation Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have eligible Claimants cash their distributions, and after the payment of any taxes and outstanding fees and expenses of the Claims Administrator, including any fees and expenses to conduct an additional distribution, any balance remaining in the Class Compensation Fund at least six (6) months after the initial distribution of such funds shall be redistributed, if it is economically feasible to do so, to eligible Claimants who have cashed their initial distributions and would receive at least $50.00 in such additional redistribution, in a manner consistent with this Allocation and Distribution Scheme.

22. Class Counsel shall, if feasible, continue to reallocate any further balance remaining in the Class Compensation Fund after the redistribution is completed among eligible Claimants in the same manner and time frame as provided for above. In the event that Class Counsel determine that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter, Class Counsel shall donate the remaining funds, if any, to a non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 50l(c)(3) and/or a Canadian charity or other non-profit group to be designated by Class Counsel.

IRREGULAR CLAIMS

23. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimant to be acting honestly and in good faith.

24. Where a Claim Form contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.

25. The claims process is also intended to prevent fraud, abuse, and the payment of ineligible Claim Forms. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains errors which cannot be readily corrected with information readily available to the Claims Administrator, then the Claims Administrator may disallow the claim in its entirety or pay it only in part so that an appropriate Recognized Claim is awarded to the Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss to be awarded to the Claimant, then the Claims Administrator shall disallow the claim in its entirety.

26. Where the Claims Administrator disallows a claim, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that the claim will be disallowed unless it is corrected and that he, she, or it may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of the Recognized Claim or his or her individual compensation.

27. Any request for reconsideration must be received by the Claims Administrator within 21 days of the date of the notice advising of the disallowance. If no request for reconsideration is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

28. Where a Claimant submits a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's request.

29. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination. In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Claimant at the Claimant's last known postal address, a notice specifying the revision to the Claims Administrator's disallowance.

30. The determination of the Claims Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

31. Data from each Claim Form shall be retained such that a Claimant will not be required to file further claim forms in any future distributions, except where the Claims Administrator, in consultation with Class Counsel, determines that further claim forms or information are necessary or desirable for efficient claims administration.

32. The failure to file a valid Claim Form shall not prejudice any Person's ability to file a claim form in any future distribution.

33. The Claims Administrator's fees and costs shall be paid from the Class Compensation Fund subject to the approval of Class Counsel, without Court approval.

34. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.

SCHEDULE C
COOPERATION AGREEMENT – GENERAL PRINCIPLES

All capitalized terms used but not otherwise defined in this Schedule C shall have the meanings given to such terms in the RSA.

A. A material factor influencing CannTrust's decision to execute the Cooperation Agreement is the desire to limit its burden and expense in complying with the agreement. Accordingly, Prosecution Counsel agree to exercise good faith in seeking cooperation from CannTrust and agree not to seek information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burdens or expense on CannTrust.

B. The scope of CannTrust's cooperation shall be limited to the allegations asserted in the Actions as presently filed and the Assigned Claims.

C. All cooperation shall be coordinated in such a manner so that all unnecessary duplication and expense is avoided.

D. CannTrust shall not be required to provide cooperation: (i) in violation of any law or Order from a court of competent jurisdiction; (ii) that waives any privilege; or (iii) with regard to conduct outside the scope of the Assigned Claims.

E. Within ● days after the CCAA Plan is implemented:

(a) CannTrust will provide all non-privileged documents (including electronically stored documents) relevant to the Actions and the Assigned Claims in a form mutually acceptable to the Parties. CannTrust makes no representation regarding, and shall bear no liability with respect to, the accuracy of, or that they have, can or will produce a complete set of any of the documents or information, and the failure to do so shall not constitute a breach or violation of the Cooperation Agreement.

(b) If any documents protected by any privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege, doctrine or law, and/or any privacy law or other rule or law of Ontario, Quebec or any other jurisdiction, are accidentally or inadvertently disclosed or produced, such documents shall be promptly returned to CannTrust and the documents and the information contained therein shall not be disclosed or used directly or indirectly, except with the express written permission of CannTrust, and the production of such documents shall in no way be construed to have waived in any manner any privilege, doctrine, law, or protection attached to such documents.

(c) CannTrust's counsel will meet with Prosecution Counsel to provide an evidentiary proffer which will include information that is not covered by privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege relating to the Actions and the Assigned Claims. The Parties agree that there shall be no audio or video recording or written transcription or record of any statements made or information provided by CannTrust's counsel at the proffer, and that Prosecution Counsel may only make written notes of their own thoughts and impressions at the proffer for the purpose of formulating legal advice, pursuing litigation and/or for the purpose of advancing settlement discussions in the interests of the Securities Claimants and the Securities Claimant Trust, as applicable. Notwithstanding any other provision of the Cooperation Agreement, and for greater certainty, it is agreed that any such written notes, and all statements made and information provided by CannTrust's counsel are privileged, will be kept strictly confidential, may not be directly or indirectly disclosed to any other party, and shall not be used by Prosecution Counsel for any purpose other than for their own internal use in connection with the prosecution of the Actions and Assigned Claims and for no other purpose whatsoever.

F. Prosecution Counsel agree that all documents and information made available or provided by CannTrust under the Cooperation Agreement shall be used only in connection with the prosecution of the Actions and the Assigned Claims, and shall not be used directly or indirectly for any other purpose, except to the extent that the documents or information are already publicly available prior to the time of production from CannTrust or subsequently become publicly available other than through the actions of Prosecution Counsel, the Securities Claimants or the Securities Claimant Trust. Prosecution Counsel agree they shall not disclose the documents and information provided by CannTrust beyond what is reasonably necessary for the prosecution of the Actions or Assigned Claims or as otherwise required by law, and acknowledge that they are bound by the deemed undertaking and Rule 30.1 of the Rules of Civil Procedure and the equivalent rules in other Provinces or jurisdictions, except to the extent that the documents or information are publicly available.

G. Prosecution Counsel may request to interview certain of CannTrust's current or former officers, directors or employees under oath. CannTrust will make best efforts to encourage witnesses to attend the interviews but will not compel witnesses to provide witness statements or other testimony under oath. The Securities Claimant Trust will bear the reasonable costs of counsel retained by CannTrust and witnesses to assist in their interactions with Prosecution Counsel. It shall not be a breach of cooperation if any person or entity asserts any right against self-incrimination or similar privilege.

H. The Securities Claimants and the Securities Claimant Trust agree that section 7 is the exclusive means by which they may obtain discovery or information or documents from CannTrust's current or former officers, directors or employees. They agree not to pursue any other means of discovery against, or seek to compel the evidence of CannTrust's current or former officers, directors or employees, whether in Canada or elsewhere and whether under the rules or laws of this or any other Canadian or foreign jurisdiction, unless that person does not cooperate pursuant to section 7.

I. Subject to the rules of evidence or any court Order, CannTrust agrees to use reasonable efforts to produce at trial or through acceptable affidavits for use at trial a current representative qualified to establish the authenticity of the documents provided by

CannTrust pursuant to the Cooperation Agreement (after Class Counsel and counsel for the Securities Claimant Trust, as applicable, has used best efforts to authenticate documents for use at trial without a live witness).

J. To the extent any of CannTrust's cooperation obligations require any current or former employees of CannTrust to travel from their principal place of business or residence to another location, the Securities Claimant Trust shall reimburse that person for reasonable expenses incurred by any such person in connection with fulfilling CannTrust's cooperation obligations.

K. The failure of a specific officer, director, employee or former employee of CannTrust to agree to make him or herself available shall not constitute a violation of the Cooperation Agreement.

L. Any dispute regarding the Cooperation Agreement will not invalidate the CCAA Plan and shall be resolved by way of confidential mediation/arbitration, in a manner to be agreed among the Parties.

SCHEDULE D
FORM OF RELEASE IN FAVOUR OF RELEASED PARTIES

FULL AND FINAL RELEASE

WHEREAS:

A. On March 31, 2020, CannTrust Holdings Inc., CannTrust Inc., CTI Holdings (Osoyoos) Inc. and Elmcliffe Investments Inc. (collectively, the "CannTrust Group") commenced proceedings under the Companies' Creditors Arrangement Act (the "CCAA").

B. Pursuant to the order dated ●, 2021 (the "Sanction Order"), the court supervising the CCAA proceedings of the CannTrust Group approved the plan of compromise, arrangement and reorganization of the CannTrust Group dated ●, 2021 (the "CCAA Plan").

C. Capitalized terms used in this full and final release (the "Release") and not otherwise defined have the meanings given to them in the CCAA Plan.

D. On ●, 2021, the CannTrust Group implemented its CCAA Plan and the releases and injunctions set out in the CCAA Plan and the Sanction Order became effective.

E. The Definitive Documents provide that, following the Effective Time, if the Securities Claimant Trust or Securities Claimants enter into a settlement with a Non-Settlement Party (a "Settlement"), they will obtain a full and final release from the Non-Settlement Party in favour of the Released Parties.

F. **[The Securities Claimants who are plaintiffs in the ● action / the Securities Claimant Trust]** and the undersigned, a Non-Settlement Party, have entered into a Settlement.

G. As a term of the Settlement, the undersigned has agreed to provide this Release to the Released Parties.

NOW THEREFORE, in consideration of the Settlement and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the undersigned agrees in favour of the Released Parties as follows (without limitation to the releases and injunctions set out in the CCAA Plan and the Sanction Order):

1. The undersigned hereby releases, remises and forever discharges each of the Released Parties from any and all Released Claims, including without limitation any and all Securities-Related Claims and any and all Securities-Related Indemnity Claims.

2. The undersigned agrees not to make or threaten any claim or threaten, commence or continue any action or proceeding (including, without limitation, any subrogated claim, action or proceeding) against any other Person who has or could have, or which could result in, a Securities-Related Indemnity Claim or other claim relating to the Released Claims for contribution, indemnity or damages, against any of the Released Parties.

3. The undersigned agrees to indemnify and save harmless the Released Parties from any costs, expenses, losses or damages whatsoever incurred by the Released Parties in connection with or in any way related to defending or responding to any action or other proceeding brought by any other Person against the Released Parties for contribution, indemnity or damages, or any other claim over as a result of any action or other proceeding brought by the undersigned arising out of any matters relating to the Released Claims.

4. The undersigned represents, warrants and confirms that:

   (a) it does not hold any Non-Released CannTrust Claims;

   (b) it has executed this Release voluntarily, without any duress or undue influence on the part of any Person;

   (c) it has been advised by counsel of its choice with respect to the terms of this Release, the consequences of same, and the legal effects thereof;

   (d) there is no condition, express or implied, or collateral agreement affecting this Release; and

   (e) it is duly authorized to enter into this Release, and the performance of this Release by the undersigned requires no further consents or approvals from any Person.

5. This Release will inure to the benefit of each Released Party and will be binding upon the undersigned and, in each case, their respective heirs, executors, administrator, other legal representatives, successors and permitted assigns.

6. The rights and obligations of the undersigned under this Release are not assignable in whole or in part.

7. This Release is intended solely for the benefit of the Released Parties and, except as provided expressly herein, is not intended to (and will not) confer any benefit upon, or create any rights in favour of, any Person other than the Released Parties.

8. his Release will be governed by and construed in accordance with the laws the Province of Ontario and the laws of Canada applicable therein, without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction.

IN WITNESS WHEREOF the undersigned has executed this Release this • day of •, 20•.

•

Per: ______________________________

Name:

Title:

This is **Exhibit "B"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

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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Lawyers for the Applicants

DOC#: 19528138

This is **Exhibit "C"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

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

SALE AND INVESTMENT SOLICITATION PROCESS ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order approving a sale and investment solicitation process, 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.

MARKETING PROCESS

1. **THIS COURT ORDERS** that the Applicants are authorized to implement the sale and investment solicitation process attached hereto as Schedule "A" (the "**SISP**") for the purpose of

soliciting interest in, and opportunities for, a sale of or investment in the assets and business operations of the Applicants. Capitalized terms used in this Order and not otherwise defined have the meanings given to them in the SISP.

2. **THIS COURT ORDERS** that the SISP is hereby approved and the Applicants, the Monitor and the Financial Advisor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their obligations thereunder.

3. **THIS COURT ORDERS** that each of the Monitor, the CRO and the Financial Advisor, and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor, the CRO or the Financial Advisor, as applicable, in performing its obligations under the SISP (as determined by this Court).

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

MAY 11 2020 JP

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

Schedule "A"

Sale and Investment Solicitation Process Outline

Introduction

On March 31, 2020, CannTrust Holdings Inc., CannTrust Inc., CTI Holdings (Osoyoos) Inc., and Elmcliffe Investments Inc. (collectively "**CannTrust**") obtained an initial order (as amended or amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") from the Ontario Superior Court of Justice, Commercial List (Toronto) (the "**Court**"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor of CannTrust (in such capacity, the "**Monitor**"), and CannTrust's agreement engaging Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") as financial advisor in respect of CannTrust and agreement engaging FTI Consulting Canada Inc. as chief restructuring officer to CannTrust (the "**CRO**") were each approved.

Also pursuant to the Initial Order, CannTrust was authorized to pursue all avenues of sale or refinancing of its business or property, in whole or part, subject to prior approval of the Court before any material sale or refinancing is concluded. Prior to the Initial Order, CannTrust was conducting a review of strategic alternatives with the assistance of the Financial Advisor. CannTrust intends to continue that process and has decided to implement the sale and investment solicitation process described in this outline ("**SISP**") with the approval of the Court pursuant to the Court order dated May 8, 2020 (the "**SISP Order**"). The SISP is intended to solicit interest in and opportunities for a sale of or investment in all or part of CannTrust's assets and business operations. This document (the "**SISP Process Outline**") outlines the SISP, which will include a notification process and two phases of activity for qualified interested bidders ("**Phase 1**" and "**Phase 2**", respectively).

Opportunity

1. The SISP is intended to solicit interest in and opportunities for a sale of or investment in all or part of CannTrust's assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a recapitalization, arrangement or other form of investment in or reorganization of the business and affairs of CannTrust as a going concern or a sale of all, substantially all or one or more components of CannTrust's assets (including, without limitation, the shares of CannTrust Inc.) (the "**Property**") and its business operations (the "**Business**") as a going concern or otherwise.

2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by CannTrust, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of CannTrust in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

Timeline

3. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Teaser Letter sent to Known Potential Bidders	May 20, 2020
Phase 1 Bid Deadline	June 22, 2020
Phase 2 Bid Deadline	To be specified in Phase 2 Bid Process Letter

Any extensions or amendments to the deadlines above will be communicated to all Known Potential Bidders or Phase 2 Potential Bidders, as applicable, in writing and such extensions or amendments shall be posted on the website the Monitor maintains in respect of this CCAA proceeding at http://www.ey.com/ca/canntrust (the "**Monitor's Website**").

Solicitation of Interest: Notice of the SISP

4. As soon as reasonably practicable, but in any event by no later than May 15, 2020:

(a) CannTrust and the Financial Advisor will prepare a list of potential bidders, including (i) parties that have approached CannTrust, the Financial Advisor or the Monitor indicating an interest in the Opportunity, (ii) local and international strategic and financial parties who CannTrust and the Financial Advisor, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in CannTrust pursuant to the SISP (including, without limitation, any parties with whom the Financial Advisor was in contact prior to the Initial Order as part of CannTrust's strategic review process) and (iii) any other parties reasonably suggested by a stakeholder as a potential bidder who may be interested in the Opportunity (collectively, "**Known Potential Bidders**");

(b) CannTrust will cause a notice of the SISP (and such other relevant information which CannTrust, in consultation with the Financial Advisor and Monitor, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition) and any other newspapers, journals, or industry publications as CannTrust and the Financial Advisor, in consultation with the Monitor, consider appropriate, if any;

(c) CannTrust will issue a press release setting out the information contained in the Notice and such other relevant information which CannTrust and the Financial Advisor considers appropriate for dissemination in Canada and major financial centres in the United States; and

(d) the Financial Advisor and CannTrust, in consultation with the Monitor, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to CannTrust and the Financial Advisor (an "**NDA**").

5. The Financial Advisor will send the Teaser Letter and NDA to all Known Potential Bidders by no later than May 20, 2020 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Financial Advisor, CannTrust or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON-BINDING LOIs

Qualified Bidders and Delivery of Confidential Information Package

6. Any party who wishes to participate in the SISP (a "**Potential Bidder**") must provide to the Financial Advisor an NDA executed by it and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder. If a Potential Bidder has previously delivered an NDA and letter of this nature to the Financial Adviser and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter to the Financial Advisor unless otherwise requested by CannTrust.

7. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Phase 1 Qualified Bidder**" if CannTrust and the Financial Advisor in their reasonable business judgment and in consultation with the Monitor determine such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP.

8. At any time during Phase 1 of the SISP, CannTrust and the Financial Advisor may, in their reasonable business judgment and after consultation with and the consent of the Monitor, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a "Phase 1 Qualified Bidder" for the purposes of the SISP.

9. The Financial Advisor, with the assistance of CannTrust and in consultation with the Monitor, will prepare and send to each Phase 1 Qualified Bidder a confidential information package providing additional information considered relevant to the Opportunity (the "**Confidential Information Package**"). The Financial Advisor, CannTrust, the Monitor and their respective advisors make no representation or warranty as to the information contained in the Confidential Information Package or otherwise made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by CannTrust.

10. CannTrust, in consultation with the Financial Advisor and the Monitor, reserves the right to limit any Phase 1 Qualified Bidder's access to any confidential information (including any information in the Confidential Information Package or a data room) and to customers and suppliers of CannTrust, where, in CannTrust's opinion after consultation with the Financial Advisor and the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Business or the Property.

11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with CannTrust.

Non-Binding Letters of Intent from Qualified Bidders

12. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (an "**LOI**") to the Financial Advisor at the addresses specified in Schedule "1" hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Eastern Time) on or before June 22, 2020 (the "**Phase 1 Bid Deadline**").

13. Subject to paragraph 14, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:

    (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;

    (b) it contains an indication of whether the Phase 1 Qualified Bidder is proposing:

        (i) to acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"), or

        (ii) a recapitalization, arrangement or other form of investment in or reorganization of the Business/CannTrust (an "**Investment Proposal**");

    (c) in the case of a Sale Proposal, it identifies or contains the following:

        (i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;

        (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

        (iii) a description of the Phase 1 Qualified Bidder's proposed treatment of material agreements and employees (for example, anticipated employment offers):

        (iv) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction (including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow CannTrust, the Financial Advisor and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction; and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable);

(v) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;

(vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

(vii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any form of agreement required from a government body, stakeholder or other third party ("**Third Party Agreement"**) and an outline of the principal terms thereof; and

(viii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(d) in the case of an Investment Proposal, it identifies the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Business/CannTrust in Canadian dollars;

(iii) key assumptions supporting the Phase 1 Qualified Bidders' valuation;

(iv) a description of the Phase 1 Qualified Bidder's proposed treatment of any liabilities, material contracts and employees;

(v) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);

(vi) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction (including, but not limited to, the sources of capital to fund the investment, preliminary evidence of the availability of such capital or such other form of financial disclosure and credit-quality support or enhancement that will allow CannTrust, the Financial Advisor and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the transaction, steps necessary and associated timing to obtain such capital and any related contingencies, as applicable, and a sources and uses analysis);

(vii) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;

(viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

(ix) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any Third Party Agreement required and an outline of the principal terms thereof; and

(x) any other terms or conditions of the Investment Proposal which the Phase 1 Qualified Bidder believes are material to the transaction; and

(e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by CannTrust and/or the Financial Advisor in consultation with the Monitor.

14. CannTrust and the Financial Advisor, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

15. Following the Phase 1 Bid Deadline, CannTrust and the Financial Advisor, in consultation with the Monitor, will assess the Qualified LOIs. If it is determined by CannTrust and the Financial Advisor, in consultation with the Monitor, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that CannTrust and the Financial Advisor may, in their reasonable business judgment and after consultation with and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 16 below and any material adverse impact on the operations and performance of CannTrust. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder unless the Monitor so approves.

16. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, CannTrust and the Financial Advisor, in consultation with the Monitor and with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business, (iii) the scope of the Property or Business to which any Qualified LOIs may

relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

17. Upon the determination by CannTrust and the Financial Advisor, in consultation with the Monitor and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, CannTrust and the Financial Advisor, in consultation with and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent by the Financial Advisor to all Phase 2 Qualified Bidders, and (ii) posted by the Monitor on the website the Monitor maintains in respect of this CCAA proceeding.

18. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter, CannTrust may, in consultation with the Financial Advisor, at any time bring a motion to seek approval of a stalking horse agreement in respect of some or all of the Property or Business and related bid procedures in respect of such Property or to establish further or other procedures for Phase 2.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

19. Paragraphs 20 to 30 below and the conduct of Phase 2 are subject to paragraphs 16, 17, and 18 and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Due Diligence

20. CannTrust and the Financial Advisor, in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder such access to due diligence materials and information relating to the Property and Business as they deem appropriate. Due diligence access may include management presentations, access to an electronic data room, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and as to which CannTrust and the Financial Advisor, in their reasonable business judgment and after consulting with the Monitor, may agree. The Financial Advisor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 2 Qualified Bidders and the manner in which such requests must be communicated. None of CannTrust, the Financial Advisor and the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 2 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if CannTrust and the Financial Advisor, in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

21. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in CannTrust or its Property and Business shall submit a binding offer that complies with all of the following requirements prior to the date set out the Bid Process Letter (the "**Phase 2 Bid Deadline**"):

(a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;

(b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business and is consistent with any necessary terms and conditions communicated to Phase 2 Qualified Bidders;

(c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

(d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed order to approve the sale by the Court;

(e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow CannTrust, with the assistance of the Financial Advisor, and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

(f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder and/or (ii) obtaining financing;

(g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of debt in connection with such bid), or that is participating or benefiting from such bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Qualified Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Qualified Bidder and the terms and participation percentage of such equity holder's interest in such bid; and (ii) the identity of each entity that has or will receive a benefit from such bid from or through the Phase 2 Qualified Bidder or any of its equity holders and the terms of such benefit;

(h) the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder and in any event, prior to service of the materials for the Sale Approval Motion;

(i) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) the transaction is on an "as is, where is" basis; (ii) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and CannTrust prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; (iv) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, Property, or CannTrust or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by CannTrust;

(j) the bid includes evidence, in form and substance reasonably satisfactory to CannTrust, in consultation with the Financial Advisor, and to the Monitor, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;

(k) the bid contains other information required by CannTrust, the Financial Advisor or the Monitor including, without limitation, such additional information as may be required in the event Phase 2 is supplemented in accordance with paragraph 17 to contemplate that an auction of certain Property be conducted; and

(l) the bid is received by the Phase 2 Bid Deadline.

22. Following the Phase 2 Bid Deadline, CannTrust and the Financial Advisor, in consultation with the Monitor, will assess the Phase 2 bids received. CannTrust and the Financial Advisor, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 bids received shall be deemed not to be Qualified Bids unless the Monitor so approves. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

23. CannTrust and the Financial Advisor, in consultation with the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Bid.

24. The Financial Advisor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as CannTrust and the Financial Advisor, in consultation with the Monitor, deem appropriate.

25. If CannTrust and the Financial Advisor, in consultation with the Monitor, are not satisfied with the number or terms of the Qualified Bids, CannTrust and the Financial Advisor may, with the approval of the Monitor, extend the Phase 2 Bid Deadline, or CannTrust may seek Court approval of an amendment to the SISP.

26. CannTrust and the Financial Advisor, may, in consultation with the Monitor, aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one "Qualified Bid".

Evaluation of Competing Bids

27. A Qualified Bid will be valued based upon several factors, including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, the proposed transaction documents, the effects of the bid on the stakeholders of CannTrust, factors affecting the speed, certainty and value of the transaction (including any regulatory approvals or third party contractual arrangements required to close the transactions), the assets included or excluded from the bid, any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by CannTrust, with the assistance of the Financial Advisor, and the Monitor.

Selection of Successful Bid

28. CannTrust and the Financial Advisor, in consultation with the Monitor, (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between CannTrust, in consultation with the Financial Advisor and the Monitor, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by CannTrust, with the assistance of the Financial Advisor and the Monitor, shall be subject to approval by the Court.

29. CannTrust shall have no obligation to enter into a Successful Bid, and it reserves the right, after consultation with the Monitor and the Financial Advisor, to reject any or all Phase 2 Qualified Bids.

Sale Approval Motion Hearing

30. At the hearing of the motion to approve any transaction with a Successful Bidder (the "**Sale Approval Motion**"), CannTrust shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by CannTrust on and as of the date of approval of the Successful Bid by the Court.

Confidentiality, Stakeholder/Bidder Communication and Access to Information

31. All discussions regarding an LOI, Sale Proposal or Investment Proposal must be directed through the Financial Advisor. Under no circumstances should the management of the CannTrust or any stakeholder of CannTrust be contacted directly without the prior consent of the Financial Advisor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.

32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential

discussions or correspondence between CannTrust, the Financial Advisor, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent CannTrust and the Financial Advisor, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

33. The Financial Advisor, in consultation with the Monitor, may consult with the legal and financial advisers to parties with a material interest in the CCAA proceedings regarding the status of the SISP to the extent considered appropriate (subject to taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that any such party has entered into confidentiality arrangements satisfactory to CannTrust.

Supervision of the SISP

34. The participation of CannTrust and the Financial Advisor in the SISP will be directed by the CRO, subject to ongoing direction from CannTrust's CEO and board of directors.

35. The Monitor will participate in the conduct of the SISP in the manner set out in this SISP Process Outline and the Initial Order and is entitled to receive all information in relation to the SISP.

36. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between CannTrust and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with CannTrust.

37. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

38. CannTrust and the Financial Advisor shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) with the prior written approval of the Monitor if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address for Submitting LOI / Phase 2 Bid

Greenhill & Co. Canada Ltd.
79 Wellington West
Suite 3403, P.O. Box 333
Toronto, ON M5K 1K7

Attn: Michael Nessim and Usman Masood
Email: michael.nessim@greenhill.com and usman.masood@greenhill.com

with copies to:

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto ON M5K 1E6

Fax: 416-868-0673

Attn: James Gage
Email: jgage@mccarthy.ca

Ernst & Young Inc.
Ernst & Young Tower, 100 Adelaide Street West
P.O. Box 1
Toronto, ON M5H 0B3

Fax: 416-943-3300

Attn: Alex Morrison and Karen Fung
Email: alex.f.morrison@ca.ey.com and karen.l.fung@ca.ey.com

Aird & Berlis
Brookfield Place, 181 Bay Street
Suite 180
Toronto, ON M5J 2T9

Fax: 416-865-4707

Attn: Steve Graff and Kathryn Esaw
Email: sgraff@airdberlis.com and kesaw@airdberlis.com

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

SALE AND INVESTMENT SOLICITATION PROCESS ORDER

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6
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James Gage LSO#: 34676I
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Trevor Courtis LSO#: 67715A
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Email: tcourtis@mccarthy.ca

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

Lawyers for the Applicants

20323697

This is **Exhibit "D"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

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

This is **Exhibit "E"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

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

MEDIATION ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by 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 for the purposes of this Order, the following terms shall have the following meanings:

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

(b) "**Claims Procedure Order**" means the Claims Procedure Order issued in these proceedings dated May 8, 2020, as amended, restated or varied from time to time;

(c) "**Director**" means any former or present director of CannTrust Holdings Inc. 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 CannTrust Holdings Inc. or who currently manages or supervises the management of the business and affairs of CannTrust Holdings Inc. or did so in the past;

(d) "**Excluded Equity Claims**" has the meaning given to such term in the Claims Procedure Order;

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

(f) "**Mediation Claim**" means any right, claim or dispute arising in or in relation to the Pending Litigation (other than the Pending Litigation where CannTrust Holdings Inc. is not a defendant), including any Excluded Equity Claim and any right, claim or dispute against or in respect of CannTrust Holdings Inc., the Directors or Officers or the Other Defendants in the Pending Litigation;

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

(h) "**Officer**" means any former or present officer of CannTrust Holdings Inc. 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 CannTrust Holdings Inc.; and

(i) “**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.

3. **THIS COURT ORDERS** that any capitalized term used but not defined herein shall have the meaning given to such term in the Initial Order.

COURT-APPOINTED MEDIATOR

4. **THIS COURT ORDERS** that the Hon. Dennis O’Connor, Q.C. is hereby appointed as an officer of the Court and shall act as a neutral third party (the "**Court-Appointed Mediator**") to mediate a global settlement of the Mediation Claims (the “**Mediation Process**”).

5. **THIS COURT ORDERS** that in carrying out his mandate, the Court-Appointed Mediator may, among other things:

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

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

(c) apply to this Court for advice and directions as, in his discretion, the Court-Appointed Mediator deems necessary.

6. **THIS COURT ORDERS** that, subject to an agreement between the Applicants and the Court-Appointed Mediator, all reasonable fees and disbursements of the Court-Appointed Mediator as may have been incurred prior to the date of this Order or which shall be incurred by the Court-Appointed Mediator in relation to carrying out his mandate shall be paid by the Applicants on a monthly basis, forthwith upon the rendering of accounts to the Applicants.

7. **THIS COURT ORDERS** that the Applicants are hereby authorized to pay to the Court-Appointed Mediator a retainer to be held by the Court-Appointed Mediator as security for payment of the Court-Appointed Mediator's fees and disbursements outstanding from time to time.

8. **THIS COURT ORDERS** that the Court-Appointed Mediator is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

9. **THIS COURT ORDERS** that, in addition to the rights and protections afforded as an officer of this Court, the Court-Appointed Mediator shall incur no liability or obligation as a result of his appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on his part. Nothing in this Order shall derogate from the protections afforded a person pursuant to Section 142 of the *Courts of Justice Act* (Ontario).

10. **THIS COURT ORDERS** that participation in the Mediation Process will not constitute attornment to the jurisdiction of the Ontario Superior Court of Justice by any foreign defendant to the Pending Litigation.

COMMUNICATION AND CONFIDENTIALITY PROTOCOL

11. **THIS COURT ORDERS** that the following communication and confidentiality protocol between the Court, the Court-Appointed Mediator and participants in the Mediation Process be and is hereby approved:

(a) the Court and the Court-Appointed Mediator may communicate between one another directly to discuss, on an on-going basis, the conduct of the Mediation Process and the manner in which it will be coordinated with the CCAA Proceedings, including but not limited to the Mediation Claims;

(b) the Court will not disclose to the Court-Appointed Mediator how the Court will decide any matter which may come before the Court for determination;

(c) the Court-Appointed Mediator will not disclose to the Court the negotiating positions or confidential information of any of the parties in the Mediation Process;

(d) all statements, discussions, offers made and documents produced by any of the parties in the course of the Mediation Process shall not be subject to disclosure through discovery or any other process; shall be confidential; shall not be referred to in Court and shall not be admissible into evidence for any purpose, including impeaching credibility or to establish the meaning and/or validity of any settlement or alleged settlement arising from the Mediation Process; and

(e) any notes, records, statements made, discussions had and recollections of the Court-Appointed Mediator or any of his assistants in conducting the Mediation Process shall be confidential and without prejudice and protected from disclosure for all purposes in accordance with paragraph 115(b)(d) above.

GENERAL

12. **THIS COURT ORDERS** that the Monitor and the Applicants may apply to this Court from time to time for directions from this Court with respect to this 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 Order.

13. **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 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.

14. **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.

SUPERIOR COURT OF JUSTICE
ENTERED

MAY 1 1 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)

Proceedings commenced at Toronto

MEDIATION ORDER

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Lawyers for the Applicants

DOC#: 20332088

This is **Exhibit "F"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 29th
	)	
MR. JUSTICE HAINEY	)	DAY OF JANUARY, 2021

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

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
(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 (i) extending the stay of proceedings up to and including April 30, 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) sealing a supplemental letter agreement, was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING (i) the Notice of Motion of the Applicants dated January 20, 2021, (ii) the affidavit of Greg Guyatt sworn January 20, 2021 (the "**Guyatt Affidavit**") and the exhibits thereto, and (iii) the Sixth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January 25, 2021 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Alexander Steele sworn January 27, 2021:

SERVICE

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 Sixth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY PERIOD

2. **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 April 30, 2021 or such later date as this Court may order.

APPROVAL OF THE SIXTH REPORT

3. **THIS COURT ORDERS** that the Sixth Report and the actions and activities of the Monitor described therein 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

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor in the amount of $161,220.23 (exclusive of HST) for the period from October 10, 2020 to January 8, 2021 inclusive, as set out in the Sixth Report, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, in its capacity as counsel to the Monitor, in the amount of $73,655.56 (exclusive of HST) for the period from October 13, 2020 to December 31, 2020 inclusive, as set out in the Sixth Report, are hereby approved.

SEALING

6. **THIS COURT ORDERS** that the supplemental letter agreement, a copy of which is attached as Confidential Exhibit "H" to the 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.

GENERAL

7. **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.

8. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

9. **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.

10. **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.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 0 1 2021

PER / PAR: CA

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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Lawyers for the Applicants

This is **Exhibit "G"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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

AFFIDAVIT OF GREG GUYATT
(Sworn January 20, 2021)

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn January 20, 2021)

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

4. CannTrust has reached a critical stage in these proceedings. As described below, CannTrust has just reached an agreement regarding a framework to settle the securities litigation against it as part of a *Companies' Creditors Arrangement Act* ("**CCAA**") plan. To move forward, CannTrust will need an extension of the stay of proceedings and CannTrust is seeking the appointment of representatives of securities claimants in these proceedings so that it can advance the framework and a CCAA plan. Due to its limited liquidity, CannTrust needs to continue to progress toward the filing and implementation of a CCAA plan without delay.

I. OVERVIEW

(i) Circumstances Leading to the CCAA Proceedings

5. 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.

6. 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 were commenced against CannTrust in several provinces in Canada and at the federal and state level in the United States (as detailed further herein, the "**Actions**").

7. 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**"). By March 2020, CannTrust had completed the remediation work at its Fenwick Facility and sought the reinstatement of its licence there, and had almost completed remediation work at its Vaughan Facility.

8. Despite these efforts, the situation facing CannTrust by the end of March 2020 was highly uncertain due to the confluence of the following factors:

(a) although its remediation work was almost complete, CannTrust had no certainty with respect to whether Health Canada would reinstate its licences or the timing of any such decisions given the increased burden on Health Canada resulting from the COVID-19 pandemic;

(b) without its cannabis licences, CannTrust had no revenue since July 2019;

(c) CannTrust would continue to incur significant ongoing costs to complete the remediation measures;

(d) CannTrust would also continue to expend significant time and resources defending the Actions, and it was not clear whether the litigation could be resolved within a reasonable time period and on a basis that would leave CannTrust with sufficient financial resources;

(e) if Health Canada decided to reinstate CannTrust's licences, CannTrust would require significant working capital to restore its operations and return to profitability; and

(f) the disruption of global and Canadian capital markets from an oil price shock and the COVID-19 pandemic, coupled with the downturn in the Canadian cannabis industry, rendered CannTrust's ability to attract capital highly doubtful.

9. Taking these factors into account, CannTrust determined that it was in the best interests of the Applicants and their stakeholders to commence these proceedings pursuant to the CCAA (the "**CCAA Proceedings**") and obtain the breathing space necessary to, among other things:

(a) complete the remainder of its remediation plan for its Vaughan Facility and continue to work with Health Canada to resolve any remaining compliance issues and obtain the reinstatement of its licences;

(b) right-size its business to better reflect its current and anticipated operational footprint;

(c) restore cultivation and processing operations and return to the recreational and medical cannabis market upon the reinstatement of its licences;

(d) facilitate the continuation of the Board of Directors' review of strategic alternatives, including any potential sale of or other strategic transaction involving CannTrust; and

(e) explore a global resolution of the Actions and address the other claims and contingent claims against CannTrust in a single forum.

(ii) CCAA Proceedings

10. CannTrust commenced these CCAA Proceedings on March 31, 2020 – less than 10 month ago. Since that time, CannTrust has either completed, or made significant progress with respect to, each of the above objectives. As detailed further herein:

(a) CannTrust completed the remainder of its remediation work;

(b) CannTrust obtained from Health Canada the reinstatement of its licenses for its Fenwick Facility and Vaughan Facility on May 29, 2020 and August 6, 2020, respectively;

(c) CannTrust restructured its operations and took certain steps to right-size its business, including reviewing its workforce, disclaiming various agreements that were unnecessary or uneconomic and engaging with key contract counterparties to renegotiate their existing arrangements;

(d) CannTrust resumed production and processing operations at the Fenwick Facility and Vaughan Facility and announced: (i) on December 2, 2020 that it was returning to the recreational cannabis marketplace with two of its recreational brands, Liiv and Synr.g,; and (ii) on January 8, 2021 that it was re-entering the medical cannabis market with its new medical brand, estora;

(e) CannTrust obtained the SISP Order (defined below) and, with the assistance of its financial advisor, Greenhill & Co. Canada Ltd. (the "**Financial Advisor**"), carried out 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. In light of its preliminary assessment of the bids received in the first phase of the process and the progress made in the mediation, CannTrust decided, in consultation with the Monitor and the Financial Advisor, not to proceed with the second phase of the sale process;

(f) CannTrust obtained the Claims Procedure Order (defined below) 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 (defined below). CannTrust, in consultation with the Monitor, has been working diligently to implement the claims procedure; and

(g) CannTrust obtained the Mediation Order (defined below) appointing the Hon. Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to mediate a global settlement of the claims associated with the Actions.

11. Very recently, CannTrust has achieved another very significant milestone in its restructuring effort. With the assistance of the Court-Appointed Mediator, CannTrust has reached an agreement with key stakeholders on a framework for the settlement of all Securities Claims (defined below) against CannTrust and various related claims.

12. With the benefit of this important agreement, CannTrust intends to move towards the development and filing of a formal CCAA plan with a view to exiting these CCAA

Proceedings and emerging as a going concern. Given CannTrust's liquidity constraints, it will need to do so in short order.

(iii) Relief Sought on This Motion

13. I swear this affidavit in support of CannTrust's motion for:

(a) an order (the "**Stay Extension Order**"), substantially in the form of the draft order included at Tab 5 of the Motion Record of CannTrust, among other things:

(i) extending the Stay Period (defined below) to April 30, 2021 (the "**Proposed Stay Extension Period**"); and

(ii) approving the activities, fees and disbursements of Ernst & Young Inc. in its capacity as court-appointed monitor of CannTrust (the "**Monitor**") and its counsel; and

(b) an order (the "**CCAA Representation Order**"), substantially in the form of the draft order included at Tab 6 of the Motion Record of CannTrust, among other things, appointing:

(i) Dharambir Singh and Patrick Hrusa (the "**CCAA Canadian Representatives**") to represent the interests of all Canadian and Non-U.S. Securities Claimants (as defined in the proposed CCAA Representation Order) in these proceedings in relation to their Securities Claims (as defined in the proposed CCAA Representation

Order) and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and any related claims and the development of a plan of arrangement of CannTrust (the "**CCAA Plan**") pursuant to the CCAA and any related definitive documentation;

(ii) Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund (the "**CCAA U.S. Representatives**", and together with the Canadian Representatives, the "**CCAA Representatives**") to represent the interests of the U.S. Securities Claimants (as defined in the proposed CCAA Representation Order) in these proceedings in relation to their Securities Claims and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and any related claims and the development of the CCAA Plan and any related definitive documentation;

(iii) A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP ("**CCAA Canadian Representative Counsel**") as counsel for the Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims; and

(iv) Weisz Fell Kour LLP in association with U.S. class action counsel Laboton Sucharow LLP (together with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") as counsel for the U.S.

Securities Claimants in these proceedings in relation to their Securities Claims and any related claims.

14. The proposed Stay Extension Order is necessary to allow CannTrust to continue to move forward towards completing its few remaining restructuring objectives. The length of the Proposed Stay Extension Period is appropriate in light of the progress made to date and the progress that is anticipated to be made in the near term. CannTrust is expected to have sufficient liquidity to operate throughout the Proposed Stay Extension Period.

15. The proposed CCAA Representation Order is necessary and appropriate to ensure that all Securities Claimants (as defined below) are represented and are able to participate effectively in these proceedings and to ensure that Securities Claims are resolved in an efficient, timely and consistent manner that will allow CannTrust to proceed to develop and put forward the CCAA Plan for approval by its creditors and the Court.

II. BACKGROUND

(i) Initial Orders

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

17. 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"**.

(ii) SISP, Claims Procedure and Mediation Orders

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

(a) an order (the "**SISP 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**"), a copy of which is attached hereto as **Exhibit "B"**;

(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**"), a copy of which is attached hereto as **Exhibit "C"**; and

(c) an order (the "**Mediation Order**") appointing the Court-Appointed Mediator to mediate a global settlement of certain claims related to the Actions (the "**Mediation Process**"), a copy of which is attached hereto as **Exhibit "D"**.

(iii) Previous Stay Extensions

19. On July 2, 2020 and October 28, 2020, the Honourable Mr. Justice Hainey granted orders further extending the Stay Period, which currently runs until and including January 31, 2021. The 3-month length of the Proposed Stay Extension is commensurate with the length of the stay extensions previously granted by this Court. A copy of the most recent such order dated October 28, 2020 (the "**October Stay Extension Order**") is attached hereto as **Exhibit "E"**.

III. BUSINESS RESTRUCTURING

(i) Remediation and Licence Reinstatements

20. The Fenwick Facility and Vaughan Facility are each essential to CannTrust's ability to produce consistent, high quality cannabis products for the recreational and medical cannabis markets. 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. The Vaughan Facility is an extraction, manufacturing and packaging facility.

21. Prior to and following the commencement of the CCAA Proceedings, CannTrust undertook significant efforts to address the findings in the Health Canada Audit Reports, remediate the Fenwick Facility and the Vaughan Facility and seek the reinstatement of its cannabis licenses. This was CannTrust's first and foremost priority as without its cannabis licenses, CannTrust had no ability to generate any material revenue and no prospect of emerging from the CCAA Proceedings as a going concern.

22. CannTrust was successful in achieving this objective. As set out in previous affidavits filed in these proceedings:

(a) on February 14, 2020, CannTrust submitted a comprehensive package to Health Canada evidencing its remediation of the Fenwick Facility and seeking the reinstatement of its suspended cannabis licence for that location;

(b) on April 3, 2020, Health Canada wrote to CannTrust confirming that it had completed reviewing the remediation package with respect to the Fenwick

Facility and asked questions about the remediation package;

(c) on April 17, 2020, CannTrust provided its responses to those questions to Health Canada;

(d) 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 suspended cannabis licences for that location;

(e) on May 29, 2020, CannTrust received notice from Health Canada that its licences for its Fenwick Facility had been reinstated;

(f) on May 29, 2020, Health Canada wrote to CannTrust confirming that it had completed reviewing the remediation package with respect to the Vaughan Facility and asking one question about the remediation package;

(g) on June 2, 2020, CannTrust provided its response to the question to Health Canada; and

(h) on August 6, 2020, CannTrust received notice from Health Canada that its licences for its Vaughan Facility had been reinstated.

(ii) Recommencing Operations

Fenwick Facility

23. As noted in my affidavit sworn June 25, 2020, CannTrust immediately took steps to recommence operations at the Fenwick Facility upon the reinstatement of its licences for that

location on May 29, 2020. By the time that affidavit was sworn, CannTrust had propagated an initial harvest which represented less than 20% of the Fenwick Facility's capacity.

24. As noted in my affidavit sworn October 21, 2020, CannTrust continued to propagate additional plants as it continued to ramp up production to establish appropriate harvest timing under its perpetual harvest methodology. By that time, CannTrust was using approximately 40% of its licensed cultivation space at the Fenwick Facility.

25. As of January 19, 2021, (i) CannTrust continues to use approximately 40% of its licensed cultivation space at the Fenwick Facility, and (ii) CannTrust has harvested approximately 3,600 kg of cannabis since recommencing operations at its Fenwick Facility.

26. CannTrust anticipates that cultivation space utilization and harvest levels will continue to increase with its sales levels given its recent return to the recreational and medical cannabis markets, as detailed further below.

Vaughan Facility

27. As noted in my affidavit sworn October 21, 2020, following the reinstatement of its licenses for the Vaughan Facility on August 6, 2020, CannTrust worked diligently to prepare for the commencement of extraction, manufacturing and packaging operations at the Vaughan Facility following the initial harvest at the Fenwick Facility. Following the successful commencement of processing activities at the Vaughan Facility in late September, CannTrust worked to build inventory to meet expected demand once its products returned to market.

28. CannTrust’s extraction, manufacturing and packaging operations at its Vaughan Facility are now fully operational. As of January 19, 2021, CannTrust has packaged almost 360,000 grams of dried flower and over 130,000 ml of cannabis oil since recommencing operations at its Vaughan Facility.

(iii) Returning to Market

29. Alongside the work that was being performed to obtain the reinstatement of its licences and resume cultivation and processing operations, CannTrust undertook the necessary regulatory, distribution logistics and marketing work so that it was prepared to return to the recreational and medical cannabis markets promptly after its products were ready to be brought to market.

30. As detailed further below, CannTrust has recently made a successful return to the recreational and medical cannabis markets.

Return to Recreational Cannabis Market

31. On December 2, 2020, CannTrust announced that it was returning to the Canadian recreational cannabis marketplace with the relaunch of sales of two of its recreational brands, Liiv and Synr.g.

32. Liiv and Snyr.g were first introduced in 2018 and targeted experienced cannabis consumers. Both brands are sold in dried flower, pre-rolled joint, oil, and capsule form.

33. CannTrust is initially focused on regenerating recreational sales in Ontario, Alberta, and British Columbia. These provinces have received initial orders of dried flower at their

wholesale distribution facilities and have moved inventory into their retail channels where it is available to consumers.

34. The company intends to begin expanding its portfolio of recreational products and their market availability in early 2021.

Return to Medical Cannabis Market

35. On January 8, 2021, CannTrust announced that it was returning to the medical cannabis market with its new medical brand estora, and would begin serving patients immediately.

36. The estora branding also included the launch of a new digital platform for engaging with patients and health care practitioners. The platform aims to connect patients, health care practitioners and partners with educational resources and products to assist patients and it includes information on cannabis strains, formats, and accessories.

37. estora's portfolio of 16 cannabis products has been designed with patients in mind, with easy-to-use formats and standardized processes that ensure consistency in every bottle.

38. Patients have commenced registering with, and placing orders on, CannTrust's digital platform and CannTrust has begun fulfilling medical cannabis orders.

(iv) Right-Sizing Operations

39. As set out in previous affidavits filed in these proceedings, CannTrust has taken numerous steps to right-size its operational footprint to better reflect its current and anticipated needs as it ramps up its production and processing operations.

40. CannTrust has also continuously reviewed its work force to ensure that the number and skillset of its employees appropriately reflect its short and long term business plan.

41. As a result of this operational restructuring, CannTrust has built a stronger, more efficient business which it believes will be highly competitive in the Canadian cannabis market upon its emergence from the CCAA Proceedings.

IV. SISP

42. On May 8, 2020, the SISP Order was issued which approved and authorized the implementation of the SISP.

43. I previously swore an affidavit on June 25, 2020 (the "**June Affidavit**") in these proceedings which sets out, among other things, the steps taken by CannTrust, the Financial Advisor and the Monitor to implement the SISP. A copy of the June Affidavit, without exhibits, is attached hereto as **Exhibit "F"**.

44. The Phase 1 Bid Deadline (as defined in the SISP Order) was 5:00 p.m. (Eastern Time) on June 22, 2020.

45. As set out in the June Affidavit, CannTrust and the Financial Advisor made a preliminary assessment of the Phase 1 Bids received. In light of the progress being made in the Mediation Process and the result that CannTrust hoped to achieve, CannTrust decided, in consultation with the Financial Advisor and the Monitor, to prioritize the Mediation Process.

46. After recently reaching agreement with a key stakeholder group on a framework for the settlement of all Securities Claims and related claims, CannTrust intends to move forward on the basis of a standalone restructuring, to be implemented by way of a CCAA plan.

V. CLAIMS PROCEDURE

47. 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.

48. 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 Process and are described in more detail below.

49. 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.

50. CannTrust has continued to diligently work 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). 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 Sixth Report of the Monitor, to be filed (the "**Sixth Report**").

VI. MEDIATION PROCESS AND CCAA REPRESENTATION ORDER

51. Prior to receiving the Health Canada Audit Reports, CannTrust was not a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to it.

52. As described more fully in my affidavit sworn March 31, 2020, following CannTrust's receipt of the Health Canada Audit Reports, eight putative class action lawsuits were commenced in Canada and five putative class action lawsuits were commenced in the U.S., alleging that CannTrust Holdings made misrepresentations in its disclosure to investors related to the findings of the Health Canada Audit Reports. The aggregate damages sought exceed $500 million.

(i) Canadian Actions

53. In Canada, five of the eight putative class action lawsuits were commenced in Ontario. The Ontario class actions, which were brought by different plaintiffs' counsel, plead claims, class descriptions and class periods that were not identical but had a great deal of overlap between one another.

54. On January 28, 2020, the Honourable Mr. Justice Hainey issued an endorsement awarding carriage of the Ontario putative class actions (the "**Ontario Class Action**") to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation ("**Ontario Class Action Counsel**" and the proposed CCAA Canadian Representative Counsel).

55. In addition to the Ontario Class Action, separate class action lawsuits were commenced by Merchant Law Group in British Columbia, Alberta and Quebec (collectively, the "**Merchant Class Actions**"). To my knowledge, there have been no material developments in these other lawsuits, although prior to the commencement of the CCAA Proceedings CannTrust consented to the relief sought in a leave motion to commence a claim pursuant to the relevant securities legislation of Alberta. None of the Merchant Class Actions has been certified.

56. An action was commenced in Ontario against CannTrust Holdings and other defendants by two shareholders, Zola Finance Holdings Ltd. and Igor Gimelshtein, relating to the drop in CannTrust Holding's share price after July 8, 2019 (the "**Zola Action**"). The total amounts claimed in this lawsuit overlap with the Ontario Class Action and have not been quantified by CannTrust at the present time.

(ii) US Securities Class Actions

57. In the United States, four of the five putative securities class actions were commenced in the Southern District of New York and alleged violations of the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States). An order consolidating the federal putative class actions was granted on April 16, 2020. Labaton Sucharow LLP was appointed as lead counsel ("**U.S. Class Action Counsel**") in the consolidated action (the "**U.S. Class Action**").

58. A separate case is pending in California State Court alleging claims pursuant to the State *Securities Act* (the "**California Class Action**"). The plaintiff's counsel in the California Class Action has agreed to temporarily suspend the steps in the litigation and has been liaising

with U.S. Class Action Counsel in connection with CannTrust's global settlement discussions in the Mediation Process described below.

59. Neither the U.S. Class Action nor the California Class Action has been certified.

60. The Ontario Class Action, the Merchant Class Actions, the Zola Action, the U.S. Class Action and the California Class Action are referred to collectively as the "**Actions**".

(iii) Mediation Process

61. As noted above, prior to commencing the CCAA Proceedings, CannTrust Holdings had expended significant time and resources investigating and preparing to defend the Actions in multiple jurisdictions. With respect to the Actions, CannTrust believed that commencing the CCAA Proceedings was necessary, among other reasons:

(a) to avoid the cost of defending multiple putative class actions and other litigation brought against it in several jurisdictions;

(b) to provide a single forum in which to seek to resolve all of the claims and contingent claims against it;

(c) to place all creditors and contingent creditors on an equal footing and to avoid one creditor or group of creditors potentially gaining a timing advantage over others;

(d) in relation to those claimants with securities claims, to ensure that they would all be able to participate on an equal footing and to avoid potentially inconsistent classes and claims across different Actions; and

(e) to provide a means by which CannTrust could be released from all securities claims and related claims (including indemnity claims) against it so that it could emerge from CCAA proceedings on a restructured basis, free and clear of all such claims.

62. Shortly after obtaining CCAA protection pursuant to the Initial Order, and consistent with its desire to pursue a global resolution of the claims against it in the Actions, on May 8, 2020, CannTrust sought and obtained the Mediation Order pursuant to which the Honourable Dennis O'Connor, Q.C. was appointed as the Court-Appointed Mediator to conduct the Mediation Process between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the securities claims and related claims between the various parties.

63. Since the commencement of the Mediation Process, CannTrust has dedicated significant time and resources to the mediation. It has participated in plenary sessions, exchanged mediation briefs with participants, and met on numerous occasions throughout the summer and fall with different parties, all in accordance with the process established by the Court-Appointed Mediator. The Monitor participated in the Mediation Process and worked closely with the Court-Appointed Mediator.

64. Because the Mediation Process is confidential, comments about the substance of the discussions and negotiations would not be appropriate. However, from the perspective of CannTrust, the extensive efforts that have occurred in the Mediation Process over a period of more than eight months so far (and are continuing) have been very successful to date.

65. CannTrust anticipates that the Mediation Process will continue to determine, among other things, whether other parties to the Actions may be prepared to contribute to and participate in the settlement of the Actions.

(iv) Restructuring Support Agreement

66. On January 19, 2021 CannTrust reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (collectively, the "**Supporting Parties**") regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. Attached as **Exhibit "G"** is a copy of the restructuring support agreement between CannTrust and the Supporting Parties dated January 19, 2021 (the "**RSA**"). Capitalized terms used below and not defined elsewhere in this Affidavit have the meanings given to them in the RSA.

67. The RSA is the product of extensive negotiations facilitated by the Court-Appointed Mediator over many months, not only between CannTrust Holdings and the Supporting Stakeholders, but also taking into account the negotiations with other participants and feedback and directions provided by the Court-Appointed Mediator and the Monitor.

68. The RSA contemplates that CannTrust will prepare and file a CCAA Plan and then seek approval of it by creditors and the court, containing the following features, among others:

(a) a trust will be established for the benefit of Securities Claimants (the "**Securities Claimant Trust**");

(b) CannTrust Holdings will contribute $50 million to the Securities Claimant Trust;

(c) CannTrust will work with the Supporting Stakeholders to seek settlements with, and contributions to the Securities Claimant Trust from, other co-defendants and insurers;

(d) any claims that CannTrust has for Securities-Related Matters against any co-defendants and insurers who do not settle will be assigned to the Securities Claimant Trust;

(e) the contributions made to the Securities Claimant Trust by CannTrust Holdings and any other settlement parties, together with any proceeds from the prosecution or settlement of any claims assigned to the Securities Claimant Trust, will be distributed pursuant to an allocation and distribution scheme to be developed by the Supporting Parties and reflected in the CCAA Plan, and approved by the court; and

(f) CannTrust and all other parties to the settlement will be released from all Securities Claims and related claims against them, with very limited exceptions.

69. CannTrust is not seeking court approval of the RSA at this time. Instead, the RSA contemplates that CannTrust will, among other things:

(a) prepare its CCAA Plan and file it with the court, and bring a motion for a meeting order (and, if necessary, a supplemental claims process), to be heard on or before March 12, 2021;

(b) seek approval of its CCAA Plan at meetings of affected creditors;

(c) if the CCAA Plan is approved by the required majorities of creditors, seek approval of the CCAA Plan from the Court at a sanction hearing; and

(d) thereafter seek approval, within the U.S. Class Action, of the settlement with U.S. Securities Claimants contemplated by the CCAA Plan.

70. Reaching an agreement of this nature with key stakeholders is a crucial milestone in CannTrust's restructuring effort. It does not come a moment too soon.

71. As detailed further below, CannTrust is projected to be cash flow negative throughout the Proposed Stay Extension Period. To remain as a going concern, CannTrust must implement a settlement of Securities Claims and emerge from the CCAA Proceedings in the near term or it will run out of its remaining cash (i.e., the cash it has on hand in excess of the $50 million it needs to fund the proposed settlement). CannTrust is currently seeking to arrange financing that will provide it with funds needed to exit the CCAA Proceedings and continue to operate post-implementation. However, the availability of operating financing is doubtful absent a clear path toward a successful restructuring and exit from these CCAA Proceedings.

(v) Proposed CCAA Representation Order

72. As the next important step in its restructuring effort, CannTrust is now seeking the appointment of representatives and representative counsel for Securities Claimants within the CCAA Proceedings. For the reasons described below, it is appropriate and necessary for CCAA representatives and representative counsel to be appointed to facilitate the restructuring of CannTrust and the resolution of the claims and contingent claims against it within the CCAA.

73. Because none of the class actions against CannTrust Holdings is certified, most of the Securities Claimants are not formally represented, and with limited exceptions, they do not have representation in the CCAA Proceedings. One of the main objectives of these CCAA proceedings is to resolve all of the Securities Claims against CannTrust and the various related claims. Securities Claimants are an important stakeholder group in these CCAA Proceedings and should have meaningful representation so they can participate effectively in the proceedings.

74. Now that an agreement has been achieved with the Supporting Parties with the assistance of the Court-Appointed Mediator and as a result of the Mediation Process, it is in the interest of all stakeholders that the Securities Claimants that are not already formally represented by counsel be formally represented in these CCAA proceedings in an effective, timely and cost-efficient manner.

75. CannTrust proposes that, subject to the exceptions described below:

(a) the representative plaintiffs in the Ontario Class Action who have already prevailed in a contested carriage motion be appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims;

(b) the representative plaintiffs in the U.S. Class Action who have already prevailed in a contested carriage motion be appointed to represent the interests of the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims;

(c) Ontario Class Action Counsel be appointed as counsel for the Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims; and

(d) Weisz Fell Kour LLP, in association with U.S. Class Action Counsel, be appointed as counsel for the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims.

76. The limited number of Securities Claimants that have already engaged counsel and have been participating in these proceedings would be excluded from the CCAA Representation Order.

77. I have reviewed the affidavits of Serge Kalloghlian and James W. Johnson, each sworn on January 20, 2021, which confirm that each of the representatives and representative counsel is prepared to act in the applicable capacity if so appointed.

78. Further information with respect to the Actions and the expertise of Ontario Class Action Counsel and U.S. Class Action Counsel is provided in the affidavits of Mr. Kalloghlian and Mr. Johnson.

(vi) Benefits of the CCAA Representation Order

79. The proposed CCAA Representation Order is necessary and appropriate in the circumstances for CannTrust to proceed toward emerging from these CCAA Proceedings as a going concern. The appointment of the CCAA Representatives and CCAA Representative Counsel can be expected to have the following benefits:

(a) it will result in all Securities Claimants who do not already have counsel being represented and addressed under the jurisdiction of this Court;

(b) the CCAA Representatives and CCAA Representative Counsel will be in a position to communicate and consult with each other, Securities Claimants, the Monitor and its counsel, CannTrust and its counsel, and other stakeholders and their respective counsel, including in relation to any negotiations with respect to the settlement of Securities Claims and any related claims and the development of the CCAA Plan and any related definitive documentation;

(c) CCAA Representative Counsel will be able to respond to inquiries from Securities Claimants;

(d) CCAA Representative Counsel will be able to inform the Securities Claimants of their rights and of the progression of the restructuring efforts of CannTrust;

(e) CCAA Representative Counsel will be able to provide the advice needed by the Securities Claimants to participate effectively in the restructuring process;

(f) CCAA Representative Counsel will be able to represent the interests of the Securities Claimants for the purpose of all decisions which might affect their rights in the course of these CCAA proceedings and, if necessary, bring to the court's attention any matters needing to be dealt with;

(g) the appointment of CCAA Representatives and CCAA Representative Counsel is consistent with the objective of resolving all Securities Claims and not merely those in any particular Action, and will avoid potential inconsistencies and delays that would be associated with multiple and potentially conflicting groups; and

(h) efficient, timely and consistent treatment of the Securities Claims.

80. The proposed CCAA Representation Order provides for a process to notify Securities Claimants of the appointment of the CCAA Representatives and CCAA Representative Counsel and a means to communicate with them.

81. As noted above, the Monitor is supportive of the proposed CCAA Representation Order. Further information in this respect will be provided in the Sixth Report, to be filed.

VII. STAY EXTENSION

82. CannTrust seeks an extension of the Stay Period until April 30, 2021. The requested extension is necessary and appropriate as: (i) CannTrust has continued to act in good faith and

with due diligence; (ii) CannTrust is expected to have sufficient liquidity to operate throughout the Proposed Stay Extension Period; and (iii) CannTrust requires further time to implement the RSA, advance the Claims Procedure and develop and put forward its CCAA Plan for approval by its creditors and the Court.

(i) CannTrust Has Continued to Act in Good Faith and With Due Diligence

83. The Stay Period presently expires on January 31, 2021. As set out further above, since the granting of the October Stay Extension Order, CannTrust has acted, and continues to act, in good faith and with due diligence. Among other things, CannTrust has:

(a) worked diligently to accelerate its cultivation operations at the Fenwick Facility;

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

(c) re-entered the cannabis market place with the relaunch of sales of two of its recreational cannabis brands, Liiv and Synr.g;

(d) resumed sales of medical cannabis under a new brand name, estora;

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

(f) continued to work with the Monitor to advance the Claims Procedure and review the approximately 234 Claims that were filed in connection therewith;

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

(h) engaged in extensive discussions with the Supporting Stakeholders and negotiated and documented the RSA and the proposed CCAA Representation Order.

(ii) CannTrust Will Have Sufficient Liquidity

84. 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 Sixth 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.

(iii) Progress to be Made During Proposed Extension

85. The requested extension is necessary and appropriate in the circumstances to allow CannTrust to:

(a) continue to restructure and stabilize its business as it resumes the sale of recreational and medical cannabis products and further scales up its production and processing operations;

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

(c) assist with carrying out the noticing procedures contemplated in the CCAA Representation Order should it be issued by this Court;

(d) develop its CCAA Plan to be filed with the Court and presented to the affected creditors of CannTrust, and engage in further discussions with stakeholders in that respect;

(e) negotiate other documentation required in connection with its CCAA Plan;

(f) continue to participate in negotiations with other parties to the Actions regarding whether they may be prepared to contribute to and participate in the settlement of the Actions;

(g) prepare the necessary materials and take the necessary steps to conduct one or more meetings of applicable creditors, and seek court approval of the CCAA Plan;

(h) take steps necessary to seek approval of the settlement in the U.S. Action; and

(i) pursue additional financing that will be necessary to allow CannTrust sufficient financial resources to implement the CCAA Plan and have sufficient working capital to emerge from the CCAA Proceedings as a going concern.

86. A stay until April 30, 2021 would provide CannTrust with a reasonable period to make substantial progress toward each of these objectives.

87. 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.

(iv) Sealing

88. In connection with the RSA, CannTrust and the Supporting Parties have also entered into a supplemental letter agreement (the "**SLA**") containing a limited number of confidential terms benefitting the Original Settlement Parties. The disclosure of the SLA terms could prejudice CannTrust and the Supporting Parties and hinder their ability to successfully implement the settlement contemplated by the RSA and the CCAA Plan. A copy of the SLA is attached hereto as **Confidential Exhibit "H"**. The proposed Stay Extension Order contemplates that the SLA will be sealed by the Court.

VIII. CONCLUSION

89. For the reasons stated above, the relief requested in the CCAA Representation Order and the Stay Extension Order is in the best interests of CannTrust and its stakeholders and is appropriate in the circumstances.

SWORN BEFORE ME over videoconference on this 20th day of January, 2021. 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 "H"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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

AFFIDAVIT OF GREG GUYATT
(Sworn June 25, 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 swear this affidavit in support of CannTrust's motion for an order (the "**Stay Extension Order**"), substantially in the form of the draft order included at Tab 3 of the Motion Record of CannTrust, extending the Stay Period to October 30, 2020 (the "**Stay Extension Period**").

4. 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. OVERVIEW

(i) Background

5. 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.

6. 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.

7. 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.

8. Due to, among other things, uncertainty regarding:

(a) the reinstatement and the timing of such reinstatement of CannTrust's licences;

(b) whether the above-noted litigation and other claims against CannTrust could be resolved within a reasonable time period and on a basis that would leave CannTrust with sufficient financial resources; and

(c) the impact of the current disruption of global capital markets and the downturn of the Canadian cannabis industry on CannTrust's ability to attract capital that it may require to restore its operations,

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.

9. 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**"). Ernst & Young was appointed as monitor of CannTrust (in such capacity, the "**Monitor**").

10. 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"**.

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

(a) an order (the "**SISP 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. 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**").

(ii) Relief Sought on this Motion

12. The Stay Period presently expires on July 5, 2020. Since the granting of the Amended and Restated Initial Order on April 9, 2020, CannTrust has acted, and continues to act, in good faith and with due diligence. Among other things, CannTrust has:

(a) completed the remainder of its remediation activities and sought the reinstatement of its licence at the Vaughan Facility;

(b) provided additional information requested by Health Canada and successfully obtained the reinstatement of its licence at the Fenwick Facility;

(c) restarted cultivation operations at the Fenwick Facility;

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

(e) advanced the SISP, the Claims Procedure and the Mediation Process in accordance with the procedures and timelines applicable to those processes.

13. Many of these processes remain ongoing and require more time to see through. CannTrust seeks an extension of the Stay Period until October 30, 2020. The requested extension is necessary and appropriate in the circumstances to allow CannTrust to:

(a) continue to work with Health Canada to resolve any remaining *Cannabis Act* compliance issues with a view towards obtaining reinstatement of its Vaughan Facility licence, subject to the availability of resources as a result of the COVID-19 pandemic;

(b) continue to restructure its business and operations and take steps towards resuming production at its Fenwick Facility;

(c) 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;

(d) assess the claims that have been submitted in the Claims Process and that may still be submitted, in consultation with the Monitor;

(e) engage with the interested parties who submitted first-round proposals with respect to the SISP, through and with the assistance of Greenhill & Co. Canada Ltd. in its capacity as financial advisor to CannTrust (the "**Financial Advisor**"), in consultation with the Monitor and with oversight provided by CannTrust's board of directors (the "**Board**");

(f) assess the proposals that have been submitted in the SISP, and any proposals that may still be submitted, with the assistance of the Financial Advisor and in consultation with the Monitor and the Board; and

(g) continue its review of strategic alternatives with the assistance of the Monitor, FTI Consulting Canada Inc. in its capacity as chief restructuring officer to CannTrust (the "**CRO**") and the Financial Advisor.

14. Further, 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 October 30, 2020 would provide CannTrust with a reasonable period to make substantial progress toward those restructuring goals.

15. CannTrust, with the assistance of the Monitor, will be appending a revised cash flow forecast to its third report to the Court, to be filed (the "**Third Report**"), and that cash flow

forecast will demonstrate that the Business is projected to have sufficient cash over the proposed extension of the Stay Period to enable CannTrust to meet its day-to-day obligations. I further understand that the Monitor supports the requested extension of the Stay Period and will provide further information in that regard in the Third Report.

II. BUSINESS UPDATES

16. Since April 9, 2020 hearing of the motion for the Amended and Restated Initial Order (the "**Comeback Motion**") at which CannTrust last requested an extension to the Stay Period, CannTrust has taken a number of steps to improve its position, including undertaking extensive remediation efforts to address, among other things, the findings of the Health Canada Audits and other potential concerns. Most significant among its achievements is the reinstatement of its Health Canada licence for the Fenwick Facility.

(i) Licence Reinstatement and Amendment

17. On February 14, 2020, CannTrust submitted a comprehensive package to Health Canada evidencing that it had completed the remediation plan for the Fenwick Facility and requesting the reinstatement of its partially suspended licences with respect to the Fenwick Facility. On April 2, 2020, Health Canada wrote to CannTrust confirming that it had completed its review of the remediation package for the Fenwick Facility and asking three questions about the remediation package. On April 17, 2020, CannTrust provided its responses to those questions to Health Canada.

18. Also 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 suspended licences with respect to the Vaughan Facility. On the same day, CannTrust also submitted a licence amendment application to Health Canada.

19. On May 29, 2020, Health Canada wrote to CannTrust asking one question about the remediation package. On June 2, 2020, CannTrust provided its response to the question to Health Canada.

20. Health Canada has also written to CannTrust on May 27, 2020 and again on June 18, 2020 requesting additional information related to CannTrust's licence amendment application. CannTrust provided its responses to those questions on June 9, 2020 and June 25, 2020 respectively.

21. On May 29, 2020, CannTrust received notice from Health Canada that its licences for its Fenwick Facility have been reinstated. 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. The reinstatement of CannTrust's licences at the Fenwick Facility is a major achievement and is a significant step towards restoring operations and returning CannTrust to profitability.

22. CannTrust immediately took steps to recommence operations at the Fenwick Facility, which is licensed to sell bulk product to other licence holders. Thus far, CannTrust has propagated approximately 18,000 new plants, which represents less than 20% of the facility's capacity. As CannTrust ramps up production, additional plants will be propagated to establish appropriate harvest timing under its perpetual harvest methodology. The first harvest is expected to occur in the second week of September, 2020. At this time, CannTrust cannot

provide an exact timeframe for when its products will be available in the market, as this is dependent upon the reinstatement of the licence with respect to the Vaughan extraction, manufacturing and packaging facility, which timing remains uncertain at this time.

(ii) Mother Plant Propagation

23. As noted in the affidavit that I swore on March 31, 2020 in support of the Initial Order (the "**March 31 Affidavit**"), an additional potential complication that CannTrust faced was that the mother plants used by CannTrust as a source of cuttings for new plants were reaching the end of their useful life and CannTrust had been unable to propagate any new plants since the suspension of its licence for the Fenwick Facility. If the mother plants were compromised, CannTrust would have needed to initiate its genetics stock from seeds once its licences were reinstated, which would have added six months or more to its propagation, cultivation and processing cycle and further delayed CannTrust's ability to generate revenue from operations.

24. CannTrust worked with Health Canada to address this issue. On April 1, 2020, Health Canada advised CannTrust that it had no objections to CannTrust's request to propagate its mother plants in the manner that CannTrust had proposed. CannTrust has since propagated a sufficient number of new mother plants to sustain its current business requirements.

(iii) Right-Sizing Operations

25. CannTrust has taken steps to right-size its operational footprint to reflect its expected needs as production ramps up. CannTrust has identified and implemented 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. In particular:

(a) on June 15, 2020, CannTrust delivered a notice of disclaimer of the lease for its head office space in Vaughan, Ontario. CannTrust leases two floors of this office building and it became clear to CannTrust management, especially in the wake of COVID-19 related work-from-home measures, that a reduced footprint was an appropriate and necessary cash conservation measure. For the time being, the Vaughan Facility will be used as the head office of CannTrust.

(b) CannTrust has engaged with key contract counterparties to renegotiate their existing arrangements and in several cases has been able to obtain new terms that are more appropriate and economical for CannTrust.

III. SISP UPDATE

(iv) Overview

26. On May 8, 2020, the SISP Order was issued which approved and authorized the implementation of the SISP.

27. The SISP solicits interest in, and opportunities for, a sale of or investment in all or part of CannTrust's assets and business operations (a "**Transaction**"). A Transaction may include one or more of a recapitalization, arrangement or other form of investment in or reorganization of the business and affairs of CannTrust as a going concern or a sale of all, substantially all or one or more components of CannTrust's assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

28. The SISP includes a notification process and two phases to evaluate proposals from qualified interested bidders, which are described further below. For ease of reference, the following are the key milestones and deadlines under the SISP:

(a) Implementation of Notification Process: May 20, 2020;

(b) Phase 1 Bid Deadline:[1] June 22, 2020; and

(c) Phase 2 Bid Deadline: To be specified in the Bid Process Letter to be provided by the Financial Advisor to Phase 2 Qualified Bidders.

(v) Progress to Date

29. CannTrust and the Financial Advisor promptly took steps following the issuance of the SISP Order to implement the SISP and have continued to work diligently to seek a Transaction that is beneficial for all of CannTrust's stakeholders.

30. Prior to the SISP Order, CannTrust, in consultation with the Financial Advisor, had been engaged in a strategic review that considered, among other strategies, a sale of or investment in, the company and had begun soliciting interest in such a sale or investment.

31. Over the course of their marketing and solicitation efforts, both before and after the issuance of the SISP Order, CannTrust, the Financial Advisor, and the Monitor have been in contact with 101 potentially interested parties that either: (i) approached CannTrust, the Financial Advisor or the Monitor indicating an interest in the SISP opportunity, (ii) were

[1] All capitalized terms used but not otherwise defined in this part have the meanings given to them in the SISP Order.

identified as local and international strategic and financial parties (including a number of parties with whom the Financial Advisor was in contact prior to the Initial Order as part of CannTrust's strategic review), or (iii) were reasonably suggested by a stakeholder as a potential bidder that may be interested in the SISP opportunity.

32. Since the SISP Order, CannTrust, the Financial Advisor and/or the Monitor have:

(a) prepared a list of 36 Known Potential Bidders;

(b) sent each Known Potential Bidder a process summary describing the Opportunity and inviting expressions of interest ("**Teaser Letter**") along with a Non-Disclosure Agreement ("**NDA**") prior to May 20, 2020;

(c) sent an identical package to 6 new parties that were subsequently identified as potential bidders;

(d) published a SISP Notice in The Globe and Mail (National Edition) on May 15, 2020;

(e) issued a SISP Press Release which was disseminated in Canada and major financial centres in the United States, on May 15, 2020;

(f) posted the SISP Notice, the SISP Press Release, the Teaser Letter and the NDA on the case website established for these proceedings with the URL: http://www.ey.com/ca/canntrust (the "**Monitor's Website**");

(g) negotiated the terms of the NDAs as required for certain Known Potential

Bidders;

(h) provided a Confidential Information Package to Phase 1 Qualified Bidders and provided certain further information requested by Phase 1 Qualified Bidders;

(i) received and begun the review of bids received prior to the Phase 1 Bid Deadline of June 22, 2020.

(vi) Bids Received

33. All Phase 1 Qualified Bidders wishing to pursue the SISP opportunity were required to deliver a non-binding letter of interest to the Financial Advisor by the Phase 1 Bid Deadline of 5:00 p.m.(Eastern Time) on June 22, 2020.

34. CannTrust and the Financial Advisor made a preliminary assessment of the Phase 1 Bids received and, in consultation with and with the approval of the Monitor, are working to determine the process and timing to be followed for proceeding to Phase 2 of the SISP. CannTrust and the Financial Advisor will report to the Court at the hearing of the motion if the Phase 2 process has been determined by that point.

35. As discussed in more detail below, the Mediation Process has commenced and, although it is in its early stages, CannTrust has been encouraged by the support of the participants for the process. As a result, in deciding the process and timing for Phase 2, CannTrust may seek to prioritize the Mediation Process and align the SISP accordingly.

IV. CLAIMS PROCEDURE UPDATE

(vii) Overview

36. 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.

37. 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[2] which will be subject to the Mediation Order and are described in more detail below.

38. Identifying and quantifying these claims will allow CannTrust to begin contemplating the form of a plan of compromise or arrangement and will allow CannTrust to assess what impact the claims may have on potential transactions and/or restructurings proposed in the SISP.

39. For ease of reference, the following are the key milestones and deadlines under the Claims Procedure, which is described further below:

(a) Claims Package sent to Known Claimants: Within 5 Business Days following the issuance of the Proposed Claims Procedure Order;

(b) Publication of newspaper notice and press release: May 12, 2020;

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[2] All capitalized terms used but not otherwise defined in this part have the meanings given to them in the Claims Procedure Order.

(c) Pre-Filing Claims Bar Date: 5:00 p.m. (Eastern Time) on June 22, 2020; and

(d) Restructuring Claims Bar Date: 5:00 p.m. (Eastern Time) on the later of: (i) the Pre-Filing Claims Bar Date; and (ii) the day which is 30 days after the Monitor sends a Claims Package with respect to a Restructuring Claim to the Claimant.

(viii) Progress to Date

40. CannTrust and the Monitor promptly took steps to implement the Claims Procedure following the issuance of the Claims Procedure Order and have continued to work diligently to carry out the steps contemplated therein.

41. Specifically, CannTrust provided to the Monitor a complete list of Known Claimants based on its books and records and their respective email addresses or, where CannTrust did not know the email address of any Known Claimant, the Known Claimant's mailing address. The Monitor, in turn:

(a) sent each Known Claimant a Claims Package on May 12, 2020 by email or, where the email address of the Known Claimant was not known, by ordinary mail;

(b) sent a Claims Package to any Claimants who contacted the Monitor and did not receive the initial Claims Package;

(c) sent a Claims Package to each Known Claimant with a Restructuring Claim arising from the restructuring, disclaimer, resiliation or termination of any lease, contracts, or other agreements or obligation, on or after May 8, 2020 (which practice will continue as Restructuring Claims arise);

(d) published a newspaper notice in the Globe and Mail (National Edition) on May 12, 2020;

(e) issued a press release on May 12, 2020; and

(f) posted the Notice to Claimants, Claims Package and Claims Procedure Order on the Monitor's Website.

42. As noted above, the Pre-Filing Claims Bar Date was June 22, 2020. CannTrust, in consultation with the Monitor, is currently undertaking a preliminary review of 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. To-date no Claimants have been contacted by CannTrust or the Monitor in respect of their Proofs of Claim. CannTrust and the Monitor will report to the Court as the review process unfolds. CannTrust anticipates that this claims review process will take several months to complete.

V. MEDIATION UPDATE

(ix) Overview – Mediation Claims

43. As described more fully in the March 31 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**").

44. 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.

45. On May 8, 2020, the Mediation Order was issued appointing the Hon. Dennis O'Connor, Q.C. as an officer of the Court, acting as an independent and neutral third party to mediate a global settlement of the Mediation Claims (the "**Court-Appointed Mediator**").[3] 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.

46. 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

[3] All capitalized terms used but not otherwise defined in this part have the meanings given to them in the Mediation Order.

this complex case.. Although the Mediation Process remains in its early stages, CannTrust has actively engaged in it.

47. 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.

48. Counsel for all interested plaintiffs in the Pending Litigation are participating in the Mediation, specifically a consortium of counsel in the Ontario Class Actions (as defined in the March 31 Affidavit), 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. Representatives of the law firm Rochon Genova, which has applied for leave to appeal the decision denying it carriage of the Ontario Class Actions 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.

49. 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 although Allianz, the lead carrier in the insurance tower, which has not agreed to mediate its denial of insurance coverage to CannTrust as of the date of this affidavit. CannTrust has a contractual right to a mediation with Allianz and may seek

directions from this Court if Allianz does not mediate its denial of coverage contemporaneously with the main mediation, ideally with the assistance of the Court-Appointed Mediator.

50. CannTrust is committed to engaging in the Mediation Process and is responding to substantial plaintiff data requests and taking other meaningful steps to seek to develop and implement a global resolution of the Mediation Claims. To that end, CannTrust has actively participated in the Mediation Process led by the Court-Appointed Mediator and is committed to continuing to do so.

VI. RELIEF REQUESTED

(x) The Stay Extension Order Should be Approved

51. The Stay Period presently expires on July 5, 2020. In the time since the Stay Period was last extended, CannTrust has acted in good faith and with due diligence as detailed throughout this affidavit, particularly in paragraph 12 above.

52. CannTrust is seeking an extension of the Stay Period up to and including October 30, 2020.

53. Given the number of parties and 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 believes 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.

54. Similarly, the Claims Procedure and SISP and, which are critical to CannTrust's restructuring process have both just reached their first milestone deadlines, the Phase 1 Bid Deadline and the Pre-Filing Claims Bar Date, respectively. It is anticipated that significant time will still be required to assess the Claims submitted in the Claims Procedure to date and those that are still to be submitted and to assess what impact the claims may have on potential transactions and/or restructurings proposed in the SISP.

55. Once sufficient progress is made on the processes above, CannTrust will need to formulate a CCAA plan of arrangement to propose to creditors, 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 October 30, 2020 would provide CannTrust with a reasonable period to make substantial progress toward those restructuring goals.

56. Further, CannTrust continues to wait on a decision from Health Canada on the reinstatement of its licence for the Vaughan Facility after which, if the licence is reinstated, CannTrust will have to continue its efforts to resume production in an appropriate and cost-effective manner considering the status of the global economy and the cannabis market specifically, and any COVID-19 restrictions still in place at that time.

57. The requested extension of the stay of proceedings is important to keep CannTrust's litigation creditors and contingent creditors on an equal footing while it explores a plan of compromise or arrangement with its creditors.

58. As noted above, CannTrust is expected to have sufficient funds through the new proposed Stay Period. I understand the Monitor supports the requested extension of the Stay Period.

59. The requested extension of the stay of proceedings is important to keep various stakeholders on equal footing while CannTrust explores a plan of compromise or arrangement.

VII. CONCLUSION

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

SWORN BEFORE ME (Virtually), on June 25, 2020.	
A Commissioner for taking Affidavits Name: Alexander Steele (LSO# 75719P)	Greg Guyatt

This is **Exhibit "I"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

<u>RESTRUCTURING SUPPORT AGREEMENT</u>

THIS AGREEMENT is made as of January 19, 2021 between:

CannTrust Holdings Inc.,
CannTrust Inc.,
CTI Holdings (Osoyoos) Inc. and
Elmcliffe Investments Inc.

(the "**CannTrust Group**")

– and –

Patrick Hrusa and Dharambir Singh

(the "**Ontario Class Action Lead Plaintiffs**")

– and –

A. Dimitri Lascaris Law Professional Corporation,
Henein Hutchinson LLP,
Kalloghlian Myers LLP and
Strosberg Sasso Sutts LLP

(**"Ontario Class Action Counsel"**)

– and –

Granite Point Master Fund, LP and
Granite Point Capital Scorpion Focussed Ideas Fund

(the "**U.S. Class Action Lead Plaintiffs**", and collectively with the Ontario Class Action Lead Plaintiffs, the "**Class Action Lead Plaintiffs**")

– and –

Labaton Sucharow LLP and Weisz Fell Kour LLP

(**"U.S. Class Action Counsel"**, and collectively with Ontario Class Action Counsel, **"Class Action Counsel"**)

RECITALS:

A. Capitalized terms used in this Agreement and not defined above have the meanings given to them in Section 1.01.

B. The CannTrust Group commenced the CCAA Proceedings on the Filing Date.

C. Pursuant to the Mediation being conducted within the CCAA Proceedings, the CannTrust Group has been engaged in negotiations with the Class Action Lead Plaintiffs and Class Action Counsel, among others, regarding the restructuring of the CannTrust Group, including negotiations with respect to the settlement of the Securities Claims and any related claims.

D. Pursuant to those negotiations, the Agreement Parties have agreed upon terms for the settlement of the Securities Claims that will form part of the restructuring of the CannTrust Group pursuant to a CCAA Plan and related arrangements, which terms are reflected in the Term Sheet.

E. The Agreement Parties wish to enter into this Agreement to set forth their agreements concerning the CCAA Plan, the related process to implement it, and the commitment of the Class Action Lead Plaintiffs and Class Action Counsel to support the CCAA Plan.

NOW THEREFORE, in consideration of the premises, the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Agreement Parties, the Agreement Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement:

"**Actions**" means the actions and other litigation set out in Schedule A.

"**Additional Settlement Party**" means any Co-Defendant or Insurer that has been designated as an Additional Settlement Party in accordance with Section 3.04 of this Agreement or the terms of the CCAA Plan.

"Affected Claims" means the Securities Claims and all other Claims that the CannTrust Group seeks, in its sole discretion, to compromise, settle and/or release pursuant to the CCAA Plan to effect its restructuring.

"Affected Creditor" means a holder of an Affected Claim.

"**Agreement**" means this agreement, including its recitals and Schedules, as amended from time to time.

"**Agreement Parties**" means the CannTrust Group, the Class Action Lead Plaintiffs and Class Action Counsel.

“**Allocation and Distribution Scheme**” means the scheme to be developed by the Class Action Lead Plaintiffs and Class Action Counsel and approved by the CCAA Court, for the allocation and distribution by the Trustee (or its designate, as approved by the CCAA Court) of the funds held by the Securities Claimant Trust from time to time among and to Securities Claimants, among others, which scheme will be included within the terms of, or will be a schedule to, the Trust Declaration and/or the CCAA Plan.

“**Assigned Claims**” means the claims of CannTrust Holdings against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims are for loss or damage up to the date of the CCAA Sanction Order and arise from or relate to the Securities-Related Matters.

“Bar Order” is defined in Section 3.02(c).

“**Business Day**” means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario.

“California Action” means *Owens v. CannTrust Holdings Inc. et al.*, Court File No. 19CV352374 (California Superior Court, Santa Clara County).

“Canadian and Non-U.S. Securities Claimants” means all Securities Claimants other than U.S. Securities Claimants.

“**CannTrust Holdings**” means CannTrust Holdings Inc.

“**Cash Contributions**” means, collectively:

(i) the contribution of $50 million to the Securities Claimant Trust to be made by CannTrust Holdings pursuant to the CCAA Plan, as contemplated by the Term Sheet; and

(ii) each cash contribution to the Securities Claimant Trust to be made by an Additional Settlement Party, in the amount agreed between the Additional Settlement Party, the Class Action Lead Plaintiffs and the CannTrust Group.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“CCAA Canadian Representatives” is defined in Section 2.02(1).

“CCAA Canadian Representative Counsel” is defined in Section 2.02(1).

“**CCAA Court**” means the Ontario Superior Court of Justice (Commercial List).

“**CCAA Plan**” means the plan of compromise, arrangement and reorganization of the CannTrust Group to be proposed by it pursuant to the CCAA, consistent with the Term Sheet and this Agreement, and otherwise in form and content satisfactory to the CannTrust Group in its sole discretion, as may be amended from time to time in accordance with the provisions of the CCAA Plan and the Meeting Order.

"**CCAA Proceedings**" means the proceedings under the CCAA in respect of the CannTrust Group commenced by the Initial Order.

"CCAA Representation Order" is defined in Section 2.02(1).

"CCAA Representative Counsel" is defined in Section 2.02(1).

"CCAA Representatives" is defined in Section 2.02(1).

"**CCAA Sanction Order**" means the order to be made under the CCAA sanctioning the CCAA Plan and providing for the Bar Order and other relief contemplated in the CCAA Plan, as such order may be amended from time to time, in form and content satisfactory to the CannTrust Group in its sole discretion and otherwise consistent with the Term Sheet and this Agreement.

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against any of member of the CannTrust Group, 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 (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any 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 or claim is executory or anticipatory in nature (including any right or claim in connection with the sale of any securities by CannTrust Holdings or others pursuant to the public distribution of its securities or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise 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 (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 a claim provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had such member of the CannTrust Group become bankrupt on the Filing Date, including any Securities Claim and any Securities-Related Indemnity Claim.

"**Claims Procedure Order**" means the claims procedure order of the CCAA Court made in the CCAA Proceedings on October 13, 2020 and any supplemental claims procedure order made in respect of the process governing the proof of claims, in each case as amended from time to time.

"Co-Defendant" means, at the relevant time (i) any Person named as a defendant in an Action that is not a Settlement Party, and (ii) any Person that could be named as a co-defendant in an Action based on or arising out of the Securities-Related Matters and who has or could have a Securities-Related Indemnity Claim against a Released Party.

"Cooperation Agreement" means an agreement between the Agreement Parties consistent with the general principles set out in Schedule C, in form and content satisfactory to the Agreement Parties.

"**Cross-Border Action**" is defined in Section 3.01(d)(i).

"**Definitive Documents**" means the CCAA Plan, the Settlement-Related Agreements, the CCAA Sanction Order, the U.S. Approval Order, the Bar Order and all other agreements, releases, consents, documents and orders contemplated by, or necessary or desirable to implement the transactions contemplated by, this Agreement, the Supplemental Letter Agreement or any of the foregoing.

"Director" means any Person who, as at the Effective Time, is a former or current director or officer of any member of the CannTrust Group or any other Person of a similar position or who by applicable law is deemed to be or is treated similarly to a director or officer of a member of the CannTrust Group or who currently manages or supervises the management of the business and affairs of a member of the CannTrust Group or did so in the past.

"**Effective Time**" means the first moment on the Plan Implementation Date or such other time on the Plan Implementation Date as may be designated by the CannTrust Group in accordance with the CCAA Plan.

"**Filing Date**" means March 31, 2020.

"**Initial Order**" means the initial order made by the CCAA Court on the Filing Date under the CCAA upon application by the CannTrust Group, as amended and/or amended and restated from time to time.

"**Insurer**" means an insurer that has provided insurance with respect to Securities-Related Matters to (i) an Original Settlement Party, or (ii) a Co-Defendant that is or was a Director of CannTrust Holdings.

"**Mediation**" means the mediation being conducted in the CCAA Proceedings pursuant to the order made on May 8, 2020.

"Meeting Order" is defined in Section 2.02(1).

"**Meetings**" means, collectively, each meeting of a class of Affected Creditors of the CannTrust Group, including a class that includes Securities Claimants if necessary, called for the purpose of considering and voting on the CCAA Plan.

"**Monitor**" means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order.

"**Non-Released CannTrust Claims**" means:

(i) the right to enforce against the applicable member(s) of the CannTrust Group its obligations under the CCAA Plan;

(ii) the right to enforce the Unaffected Claims against the applicable member(s) of the CannTrust Group;

(iii) solely as against a director in his or her capacity as such, any claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA;

(iv) any claim against a member of the CannTrust Group for the purchase or supply of goods or services delivered after the Filing Date; and

(v) the right to enforce against the applicable member(s) of the CannTrust Group any agreement in force at the Effective Time that was entered into by such member(s) between the Filing Date and the Plan Implementation Date, or that was entered into prior to the Filing Date and not disclaimed during the CCAA Proceedings pursuant to the applicable paragraph of the Initial Order and related provision by the CCAA.

"Non-Settlement Party" means, at the relevant time, any Co-Defendant or Insurer that is not a Settlement Party.

"Ontario Class Action" means *Hrusa et al. v. CannTrust Holdings Inc. et al.*, Court File No. CV-19-00623567-00CP (ON SC).

"Opt Out Claimant" means, to the extent an opt out process is imposed by the CCAA Representation Order or the Meeting Order, any Securities Claimant that provides notice to the Monitor and CCAA Representative Counsel that they do not want the CCAA Representatives and/or CCAA Representative Counsel to represent them or act as their proxy, as applicable.

"**Original Settlement Parties**" means each member of the CannTrust Group, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation.

"Outside Date" means December 31, 2021.

"**Person**" means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Plan Implementation Date**" means the date upon which all of the conditions to the CCAA Plan and other Definitive Documents have been satisfied or waived and the transactions contemplated by the CCAA Plan and the other Definitive Documents are to be implemented.

"**Released Additional Settlement Parties**" means the Additional Settlement Parties and their respective Representatives.

"**Released CannTrust Claims**" means (A) any and all Claims and (B) any and all other 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Released CannTrust Party) that any Affected Creditor or other Person has or may be entitled to assert against any of the Released CannTrust Parties, 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, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any Claim, including any Claim that is enumerated in section 19(2) of the CCAA and that is compromised under the CCAA Plan in accordance with such section as a consequence of the applicable creditor's vote in favour of or other form of consent to the CCAA Plan;

(ii) any of the assets, obligations, business or affairs of a member of the CannTrust Group; or

(iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it),

but excluding Non-Released CannTrust Claims.

"**Released CannTrust Parties**" means the Original Settlement Parties, the Monitor and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties and the Representatives of each such excluded Director.

"**Released Claims**" means the Released CannTrust Claims and the Released Securities-Related Claims.

"**Released Parties**" means the Released CannTrust Parties and the Released Additional Settlement Parties.

"**Released Securities-Related Claims**" means (A) any and all Securities Claims and Securities-Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Settlement Party) that any Securities Claimant or Co-Defendant has or may be entitled to assert against any of the Released Parties, 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, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any of the Actions;

(ii) any of the Securities Claims, Securities-Related Claims, Securities-Related Indemnity Claims or Securities-Related Matters; or

(iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it),

but excluding Non-Released CannTrust Claims.

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

"Represented Securities Claimants" means all Canadian and Non-U.S. Securities Claimants and all U.S. Securities Claimants, excluding Opt Out Claimants (if any).

"Schedules" is defined in Section 1.03.

"**Securities Claim**" means:

(i) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and

(ii) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

other than a Securities-Related Indemnity Claim.

"Securities Claimants" means the holders of Securities Claims.

“**Securities Claimant Trust**” means the trust, to be established pursuant to the Trust Declaration on or before the Plan Implementation Date, to which the Cash Contributions will be paid and the Assigned Claims will be assigned on the Plan Implementation Date for the benefit of Securities Claimants, among others.

“**Securities-Related Claim**” means:

(i) any claim against a Settlement Party or Co-Defendant asserted by a plaintiff or putative plaintiff in an Action; and

(ii) any other claim against a Settlement Party or a Co-Defendant that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

other than a Securities Claim or Securities-Related Indemnity Claim.

“Securities-Related Indemnity Claim” means any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or Securities-Related Claim asserted against such Person or arising from or in connection with any other claim asserted by a Co-Defendant against such Person.

“Securities-Related Matters” means the facts, events and transactions alleged in one or more of the Actions giving rise to the claims asserted therein or that could give rise to claims similar to the ones asserted therein.

“**Securities-Related Section 5.1(2) Claims**” means any Securities-Related Claim against a Director who is an Original Settlement Party and which claim is not permitted to be compromised pursuant to Section 5.1(2) of the CCAA.

“**Settlement-Related Agreements**” means the Trust Declaration, the Allocation and Distribution Scheme, the Cooperation Agreement and all other agreements, releases, consents or other documents contemplated by, or necessary or desirable to implement the transactions contemplated by, this Agreement or the CCAA Plan to settle the Securities Claims and any related claims, in each case in form and content satisfactory to the Agreement Parties.

“Settlement Parties” means the Original Settlement Parties and the Additional Settlement Parties.

“Supplemental Letter Agreement” means the letter agreement dated the date hereof between the Agreement Parties supplemental to this Agreement, containing certain additional terms that are confidential.

“Term Sheet” means the term sheet attached as Schedule B.

"**Trust Declaration**" means the declaration of trust in respect of, among other things, the creation of the Securities Claimant Trust and appointment of the Trustees, in form and content satisfactory to the Agreement Parties, acting reasonably.

"**Trustees**" means the individual lawyers from the firms that comprise Class Action Counsel, in their capacity as the trustees of the Securities Claimant Trust, to be appointed pursuant to the Trust Declaration on the basis contemplated in Section 3.03.

"Unaffected Claims" means any Claims designated as unaffected Claims in and for the purposes of the CCAA Plan.

"U.S. Approval Order" means a court order entered in the U.S. Class Action, (i) approving a settlement and final judgment in the U.S. Class Action; (ii) containing a bar order in customary form containing such judgment reduction provisions as may be required by the *Private Securities Litigation Reform Act*; and (iii) approving customary broad releases by Securities Claimants within the putative class of any claims that were or could have been asserted in the Actions (including the California Action), in form and content satisfactory to the CannTrust Group and the U.S. Class Action Lead Plaintiffs.

"U.S. Class Action" means *In Re: CannTrust Holdings Inc. Securities Litigation*, No. 1:19-CV-06396 (JPO).

"U.S. Securities Claimants" means all Securities Claimants who purchased the publicly traded common shares of CannTrust Holdings on the New York Stock Exchange or on any other U.S. based trading platform.

1.02 **<u>Construction</u>**

In this Agreement, unless otherwise stated or the context otherwise requires:

(a) the division of this Agreement into Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;

(b) the words "hereunder", "hereof" and similar expressions refer to this Agreement and not to any particular Section or Schedule and references to "Sections" and "Schedules" are to Sections of and Schedules to this Agreement;

(c) words importing the singular include the plural and *vice versa* and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) references to dollar amounts are to Canadian dollars;

(g) references to times are to local time in Toronto;

(h) references to the "CannTrust Group" refer to each member of the CannTrust Group;

(i) if the CCAA Representation Order is granted, references to the "Class Action Lead Plaintiffs" and "Class Action Counsel" will include the CCAA Representatives and CCAA Representative Counsel after the agreement of the CCAA Class Representatives and CCAA Representative Counsel to become parties to and bound by this Agreement in accordance with Section 2.03(d) has become effective;

(j) any reference in this Agreement to a requirement or condition that (i) the CCAA Plan or another Definitive Document must be consistent with this Agreement means that such document must be consistent with this Agreement and the Supplemental Letter Agreement, and (ii) something be done as contemplated in or by this Agreement means as contemplated in or by this Agreement or the Supplemental Letter Agreement; and

(k) if there is a conflict between the terms of a Schedule and this Agreement (excluding the Schedules), the terms of this Agreement (excluding the Schedules) will govern, and any reference in this Agreement to a requirement or condition that the CCAA Plan or another Definitive Document must be consistent with the Term Sheet means that such Definitive Document must be consistent with the terms of this Agreement (excluding the Term Sheet) to the extent of any conflict between this Agreement (excluding the Term Sheet) and the Term Sheet.

1.03 **<u>Schedules</u>**

The following are the schedules (the **"Schedules"**) to this Agreement:

Schedule A	−	Actions
Schedule B	−	Term Sheet
Schedule C	−	Cooperation Agreement – General Principles

ARTICLE 2 - THE CCAA PLAN

2.01 **<u>Settlement of Securities Claims Pursuant to CCAA Plan</u>**

Each Agreement Party agrees that:

(a) all Securities Claims, Securities-Related Claims, Securities-Related Section 5.1(2) Claims and Securities-Related Indemnity Claims against the Released Parties will be settled or otherwise addressed pursuant to and in accordance with the CCAA Plan and the other Definitive Documents;

(b) the terms of the CCAA Plan and other Definitive Documents that relate to the treatment of the Securities Claims, Securities-Related Claims, Securities-Related Section 5.1(2) Claims and Securities-Related Indemnity Claims against the Released Parties will be consistent with the Term Sheet and this Agreement;

(c) it will negotiate in good faith with the other Agreement Parties to finalize the terms of the CCAA Plan and the other Definitive Documents on terms consistent with the Term Sheet and this Agreement;

(d) it will cooperate with the other Agreement Parties in good faith during the Mediation and the pendency of the CCAA Proceedings to seek a contribution from and settlement with each Co-Defendant and Insurer that is acceptable to the Class Action Lead Plaintiffs and Class Action Counsel and to cause it to become an Additional Settlement Party; and

(e) it will do all such things and take all such actions as may be reasonably necessary to carry out the purposes and intent of this Agreement and will refrain from doing anything or taking any action that would frustrate the purposes and intent of this Agreement, including refraining from bringing motions or supporting motions brought by third parties seeking relief that is not consistent with this Agreement.

2.02 **Process and Timetable to Implement CCAA Plan**

(1) The CannTrust Group will:

(a) file a motion on or before January 31, 2021, returnable at a hearing to be held on or before February 12, 2021 (or as soon after that date as the CCAA Court will hear the motion), seeking an order in the CCAA Proceedings (the "**CCAA Representation Order**") that, among other things:

(i) appoints the Ontario Class Action Lead Plaintiffs (or such other Person(s) as may be agreed by the Agreement Parties) to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (the "**CCAA Canadian Representatives**");

(ii) appoints the U.S. Class Action Lead Plaintiffs (or such other Person(s) as may be agreed by the Agreement Parties) to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (together with the CCAA Canadian Representatives, the "**CCAA Representatives**");

(iii) appoints Ontario Class Action Counsel as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims ("**CCAA Canadian Representative Counsel**");

(iv) appoints Weisz Fell Kour LLP in association with Labaton Sucharow LLP as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (together with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**");

(v) authorizes the Class Action Lead Plaintiffs and Class Action Counsel, each in their capacity as such, to agree to become parties to and be bound by this Agreement;

(vi) approves the manner in which notice of the CCAA Representation Order and this Agreement is to be provided to Securities Claimants; and

(vii) approves the process, if any, by which Securities Claimants may opt out of representation by the CCAA Representatives and CCAA Representative Counsel in the CCAA Proceedings (but on a basis that is without prejudice to, and does not limit or otherwise affect, the treatment that may be proposed by the CannTrust Group in the CCAA Plan of Securities Claims held by Securities Claimants that opt out);

(b) file a motion on or before February 26, 2021, returnable at a hearing to be held on or before March 12, 2021 (or as soon after such date as the CCAA Court will hear the motion), seeking an order in the CCAA Proceedings (the "**Meeting Order**") that, among other things:

(i) authorizes the CannTrust Group to file the CCAA Plan with the Court;

(ii) approves the classification of Affected Creditors contemplated by the CCAA Plan;

(iii) authorizes the CannTrust Group to send the CCAA Plan and other meeting materials to Affected Creditors in the manner provided in the order;

(iv) directs that Meetings of Affected Creditors be held;

(v) if necessary, establishes a claims procedure supplemental to the one established by the Claims Procedure Order to require Securities Claimants to prove their claims prior to a claims bar date;

(vi) if proofs of claim are required in respect of Securities Claims, authorizes the CCAA Representatives and CCAA Representative Counsel to file one or more proofs of claim on behalf of all Represented Securities Claimants;

(vii) if a vote of Securities Claimants is conducted, appoints CCAA Representative Counsel to act as proxy for the Represented Securities Claimants at the applicable Meeting; and

(viii) authorizes the Monitor, with the approval of the applicable member of the CannTrust Group, to agree to the amount of any Claim for voting purposes, including the amount of the Securities Claims of Represented Securities Claimants and Opt Out Claimants (if any);

(c) if the Meeting Order is granted, seek approval of the CCAA Plan by Affected Creditors at the Meetings;

(d) if the CCAA Plan is approved by the required majorities of Affected Creditors at the Meetings, seek approval of the CCAA Plan by the CCAA Court pursuant to the CCAA Sanction Order within ten (10) Business Days after the Meetings (or the first available date thereafter if the CannTrust Group is unable to obtain a hearing date within such period);

(e) seek to obtain the final U.S. Approval Order (with the settlement to be effective on the Plan Implementation Date); and

(f) if the CCAA Sanction Order and U.S. Approval Order are granted, seek to implement the CCAA Plan in the manner contemplated by the CCAA Plan as soon as possible and in any event, on or before the Outside Date.

(2) Any of the dates referenced in Section 2.02(1), and the Outside Date, may be extended by agreement in writing between CannTrust Holdings and Class Action Counsel.

2.03 **<u>Support for the CCAA Plan</u>**

The Class Action Lead Plaintiffs and Class Action Counsel agree:

(a) to cooperate with the CannTrust Group in good faith to pursue and support the restructuring of the CannTrust Group and the settlement of the Securities Claims, Securities-Related Claims and Securities-Related Section 5.1(2) Claims against the Released Parties and the treatment of the Securities-Related Indemnity Claims in the manner contemplated by this Agreement;

(b) to use all reasonable efforts to assist the CannTrust Group to meet the timetable and obtain the orders and approvals contemplated by Section 2.02(1);

(c) to vote in favour of the CCAA Plan and that, without the consent of the CannTrust Group, they will not in any way support any plan or restructuring in respect of the CannTrust Group other than the CCAA Plan and the restructuring of the CannTrust Group contemplated by this Agreement, and will vote against and otherwise actively oppose any such other plan or restructuring; and

(d) if the CCAA Representation Order is granted, they will agree to become parties to and be bound by this Agreement in their respective capacities as CCAA Representatives and CCAA Representative Counsel.

ARTICLE 3 - ADDITIONAL ACKNOWLEDGEMENTS AND AGREEMENTS

3.01 Additional Acknowledgements and Agreements of CannTrust Holdings

CannTrust Holdings acknowledges and agrees:

(a) prior to the Plan Implementation Date, CannTrust Holdings will not compromise or settle any of its potential claims against any Non-Settlement Party in relation to the Actions (whether as an Additional Settlement Party or on another basis) without the consent of the Class Action Lead Plaintiffs and Class Action Counsel;

(b) it will pay its Cash Contribution and assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date;

(c) it will be a condition to the CCAA Plan that the Original Settlement Parties assign their Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date;

(d) pursuant to the CCAA Plan and to take effect after the CCAA Sanction Order and the U.S. Approval Order are granted, CannTrust Holdings will consent to orders:

(i) appointing the law firm of Weisz Fell Kour LLP as the Canadian representative for plaintiffs in the U.S. Class Action and allowing U.S. Class Action Counsel, in conjunction with U.S. Class Action Lead Plaintiffs to, at their option:

(A) file an action (with Weisz Fell Kour LLP as counsel) in the Commercial List against any Non-Settlement Parties; or

(B) establish a subclass in the Ontario Class Action (with Weisz Fell Kour LLP as counsel),

with a class defined in the same way as the class is defined in the U.S. Class Action and subject to U.S. law in respect to the causes of action (the "**Cross-Border Action**");

(ii) continuing the CCAA Representation Order permitting the plaintiffs in the Ontario Class Action, U.S. Class Action, and Cross-Border Action to settle such actions or to prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of such order;

(iii) approving any (A) settlement with the Non-Settlement Parties; (B) notice to members of the Ontario Class Action and U.S. Class Action further to any such settlement; (C) distribution protocol (*i.e.* plan of allocation) setting forth the distribution of the funds to class members from such settlement (less Class Action Counsel's fees and litigation expenses); and (D) Class Action Counsel's request for fees to be paid from such settlement;

(iv) permitting the plaintiffs in the Ontario Class Action to apply to the Commercial List to obtain an expedited hearing for an order granting leave under the *Securities Act* (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(v) at Class Action Counsel's option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Commercial List to obtain an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the *Class Proceedings Act, 1992* (Ontario) (as necessary) against any Non-Settlement Parties;

(vi) directing an expedited hearing date on the Commercial List of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the *Class Proceedings Act, 1992* (Ontario) (as necessary) or pursuant to the Commercial List's statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

(vii) permitting the Securities Claimant Trust to obtain on an expedited basis a joint trial date for the claims in the Ontario Class Action, Cross-Border Action and any of the Assigned Claims including the claims of the Securities Claimant Trust against any Non-Settlement Parties; and

(viii) prohibiting any other action from being commenced or prosecuted in Canada against any Released Parties or any Non-Settlement Parties alleging facts substantially the same or similar as those alleged in the Ontario Class Action, Cross-Border Action or the Assigned Claims held by the Securities Claimant Trust.

3.02 **<u>Additional Acknowledgements and Agreements of Class Action Lead Plaintiffs and Class Action Counsel</u>**

The Class Action Lead Plaintiffs and Class Action Counsel acknowledge and agree:

(a) the terms of the CCAA Plan, other than those terms that relate to the settlement of the Securities Claims and any related claims (which terms will be consistent with the Term Sheet and this Agreement), will be at the sole discretion of the CannTrust Group, including any terms that relate to the proposed treatment of any Claims other than Securities Claims. Class Action Counsel shall have the opportunity to review the CCAA Plan for compliance with the Term Sheet and this Agreement;

(b) the Definitive Documents will provide that when the aggregate amount recovered by Securities Claimants and the Securities Claimant Trust from Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or prosecution of the Actions and Assigned Claims, exceeds $250 million net of litigation fees and expenses, then CannTrust Holdings will be entitled to paid up to $50 million in staged amounts from the Securities Claimant Trust (such staged amounts to be agreed between the Agreement Parties in the Definitive Documents), acting reasonably;

(c) the Definitive Documents will include releases and injunctions in favour of the Released Parties in respect of the Released Claims and Securities-Related Section 5.1(2) Claims, including one or more orders (whether pursuant to the CCAA Sanction Order or otherwise), satisfactory to the CannTrust Group in its sole discretion, enjoining, barring and/or extinguishing the Released Claims and Securities-Related Section 5.1(2) Claims against the Released Parties to the fullest extent permitted by applicable law (including an order "channeling" the Securities-Related Section 5.1(2) Claims to the Securities Claimant Trust) (the "**Bar Order**");

(d) the Definitive Documents will provide that the Securities Claimants and the Securities Claimant Trust jointly and severally agree and undertake (A) not to seek any damages from any Co-Defendant nor threaten, make or settle any claim or take any proceeding against any other Person, which in either case could result in a Securities-Related Indemnity Claim or any other claim for damages against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the Bar Order, and (B) to obtain a full and final release satisfactory to the Released Parties if the Securities Claimants or Securities Claimant Trust settle with any Non-Settlement Parties (with the form of such release to be finalized between the Agreement Parties on or before January 29, 2021 or as soon as practicable thereafter);

(e) with respect to the U.S. Class Action:

(i) U.S. Class Action Lead Plaintiffs and the applicable Released Parties will seek preliminary approval of the settlement in the U.S. Class Action and thereafter final approval of the settlement of the U.S. Class Action after entry of the CCAA Sanction Order. U.S. Class Action Lead Plaintiffs and the applicable Released Parties will cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the U.S. Class Action. The California Action will be voluntarily dismissed with prejudice;

(ii) to the extent permitted, notice to the putative class in the U.S. Class Action of the settlement will be given in conjunction with any notice required in connection with the CCAA Proceedings. If a joint notice is not permitted or feasible, notice will be given to the putative class in the U.S. Class Action in a form as may be agreed or as directed by the U.S. court.

(A) Any notice provided in connection with the settlement will caution putative class members that U.S. Class Action Lead Plaintiffs and the applicable Released Parties believe that the claims of any opt-outs will be barred by the Bar Order and principles of comity;

(B) Any notice or administration expenses prior to the CCAA Sanction Order being granted shall be paid by the Applicants, following which such costs will be funded from the Securities Claimant Trust;

(iii) the relevant Agreement Parties will jointly seek entry of the U.S. Approval Order. Such Agreement Parties will request that the U.S. Approval Order recite that it is without prejudice to, and does not limit, the applicability of the Bar Order;

(iv) U.S. Class Action Lead Plaintiffs will request that the U.S. Class Action be stayed against the Non-Settlement Parties to enable the claims to be litigated in the Cross-Border Action;

(i) U.S. Class Action Lead Plaintiffs will request that the U.S. Class Action shall be dismissed after the Cross-Border Action is filed.

(f) all fees and costs of the Class Action Lead Plaintiffs, Class Action Counsel, the Trustee and the Securities Claimant Trust will be paid from amounts held in the Securities Claimant Trust from time to time in accordance with the terms of the Trust Declaration and any other applicable Definitive Documents and following CCAA Court Approval; and

(g) without delay after implementation of the CCAA Plan, they will cause the Actions in Canada to be dismissed against the Settlement Parties without costs.

3.03 **<u>Other Acknowledgements and Agreements</u>**

The Agreement Parties agree that:

(a) half of the Trustees will be designated by Ontario Class Action Counsel and half of the Trustees will be designated by U.S. Class Action Counsel for appointment pursuant to the Trust Declaration;

(b) the Trustees will appoint Class Action Counsel as counsel to the Securities Claimant Trust; and

(c) from and after the Plan Implementation Date, the Trustees of the Securities Claimant Trust will have the sole authority to prosecute and resolve the Assigned Claims.

3.04 **<u>Additional Settlement Parties</u>**

By written agreement between CannTrust Holdings and Class Action Counsel, , such agreement not to be unreasonably withheld, a Co-Defendant or Insurer may be designated as an Additional Settlement Party for the purposes of this Agreement and the CCAA Plan if such proposed Additional Settlement Party has signed a restructuring support agreement, in form and content satisfactory to the Agreement Parties, acting reasonably, pursuant to which such proposed Additional Settlement Party has agreed, among other things:

(a) to make a Cash Contribution to the Securities Claimant Trust on the Plan Implementation Date in an amount acceptable to Class Action Counsel;

(b) to assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date; and

(c) to support the CCAA Plan in a manner consistent with this Agreement.

ARTICLE 4 - CONDITIONS

4.01 Conditions to Implementation of CCAA Plan

(1) Unless otherwise provided in the CCAA Plan or the CCAA Sanction Order, implementation of the CCAA Plan will be conditional on the satisfaction of each of the following conditions on or before the Plan Implementation Date:

(a) the CCAA Plan will have been approved by the required majorities of Affected Creditors at the Meetings;

(b) the CCAA Sanction Order will have been issued by the CCAA Court;

(c) the U.S. Approval Order will have been issued by the U.S. Court;

(d) to the extent not contained within the CCAA Sanction Order, the Bar Order will have been issued by the CCAA Court;

(e) the terms of the Settlement-Related Agreements and any other Definitive Documents not otherwise expressly addressed in this Section 4.01(1) will have been settled in form and substance satisfactory to each of the Agreement Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable);

(f) the conditions set out in the CCAA Plan and each of the other Definitive Documents will have been satisfied or waived in accordance with the terms of the applicable Definitive Document;

(g) all relevant Persons will have executed, delivered and filed all consents, agreements, documents and other instruments that, in the opinion of the CannTrust Group, acting reasonably, are necessary to implement the provisions of the CCAA Plan and the other Definitive Documents;

(h) all applicable consents, approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the CannTrust Group, in form and substance satisfactory to the CannTrust Group, acting reasonably; and

(i) no action or proceeding will be pending by any third party to enjoin or prohibit the implementation of the CCAA Plan.

(2) In the event that any of the foregoing conditions precedent is not satisfied by the Outside Date, this Agreement will be of no further force and effect and each of the Agreement Parties will be released from any and all obligations under this Agreement and the Definitive Documents.

ARTICLE 5 - AMENDMENT AND TERMINATION

5.01 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Agreement Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Agreement Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

5.02 Termination

(1) This Agreement may be terminated prior to the Outside Date:

(a) by the CannTrust Group, on written notice to the Class Action Lead Plaintiffs and Class Action Counsel, if:

(i) the Class Action Lead Plaintiffs or Class Action Counsel fail materially to comply with any material obligation under this Agreement or any of the Definitive Documents;

(ii) the CCAA Sanction Order or the U.S. Approval Order is refused;

(iii) it is entitled to do so in accordance with the Supplemental Letter Agreement; or

(iv) the consent of the plaintiff and counsel in the California Action to the settlement of Securities Claims, Securities-Related Claims, Securities-Related Section 5.1 (2) Claims and Securities-Related Indemnity Claims on the basis contemplated by this Agreement is not obtained.

(b) by the Class Action Lead Plaintiffs and Class Action Counsel, on written notice to the CannTrust Group, if:

(i) the CannTrust Group fails materially to comply with any material obligation under this Agreement or any of the Definitive Documents, or

(ii) the CCAA Sanction Order or the U.S. Approval Order is refused.

(2) In the event that this Agreement is terminated, this Agreement will be of no further force and effect, each of the Agreement Parties will be released from any and all obligations under this Agreement and the Agreement Parties will be restored to their respective positions prior to this Agreement to the maximum extent possible.

ARTICLE 6 - GENERAL

6.01 Entire Agreement

This Agreement and the Supplemental Letter Agreement constitute the entire agreement between the Agreement Parties with respect to the subject matter hereof and cancels and supersedes any prior understanding and agreements between the Agreement Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Agreement Parties other than as expressly set forth in this Agreement or the Supplemental Letter Agreement.

6.02 Assignment

This Agreement may not be assigned by any Agreement Party without the prior written consent of the other Agreement Parties.

6.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrator, other legal representatives, successors and permitted assigns of the Agreement Parties.

6.04 No Third Party Beneficiaries

This Agreement is solely for the benefit of the Agreement Parties and their respective heirs, executors, administrators, other legal representatives, successors and permitted assigns, and this Agreement will not be deemed to confer upon or give to any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

6.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the CannTrust Group:

c/o CannTrust Holdings Inc.
7300 Keele Street, Suite 200
Vaughan ON L4K 0E5

Fax No.:	1-844-295-6641
Attention:	Greg Guyatt
E-mail:	gguyatt@canntrust.ca

with a copy to:

McCarthy Tétrault LLP
Suite 4700, Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6

Fax No.:	416 868-0673
Attention:	Jamey Gage, Paul Steep and Shane D'Souza
E-mail:	jgage@mccathy.ca; psteep@mccarthy.ca; sdsouza@mccarthy.ca

To the Class Action Lead Plaintiffs and Class Action Counsel:

c/o Class Action Counsel at the street addresses, facsimile numbers or e-mail addresses (as the case may be) set forth below on the signature pages for Class Action Counsel,

or to such other street address, facsimile number or e-mail address as may be designated by notice given by an Agreement Party to the other Agreement Parties. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

6.06 **Governing Law**

This Agreement will be governed by and construed in accordance with the laws the Province of Ontario and the laws of Canada applicable therein, without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction.

6.07 **Attornment**

For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the CCAA Court will have jurisdiction to determine any dispute arising under this Agreement.

6.08 **English Language**

The Agreement Parties hereto have expressly agreed that this Agreement be executed in the English Language. Les parties ont expressément convenu que la présente Convention soit rédigée en langue anglaise.

6.09 **No Curative Provision**

A breach of any term of this Agreement is a breach of the entire agreement by the defaulting or breaching Agreement Party.

6.10 **Counterparts**

This Agreement (and any modifications, amendments, supplements or waivers in respect hereof) may be executed in any number of counterparts by manual or facsimile signature of each undersigned Agreement Party, each of which when executed and delivered will be deemed to be an original and all of which when taken together will constitute one and the same agreement. This Agreement may be delivered by facsimile or email.

IN WITNESS WHEREOF the Agreement Parties have executed this Agreement.

THE CANNTRUST GROUP:

CannTrust Holdings Inc.

By: ______________________
(Authorized Signature)

CannTrust Inc.

By: ______________________
(Authorized Signature)

CTI Holdings (Osoyoos) Inc.

By: ______________________
(Authorized Signature)

Elmcliffe Investments Inc.

By: ______________________
(Authorized Signature)

ONTARIO CLASS ACTION LEAD PLAINTIFFS:

Witness:	**Patrick Hrusa**
Witness:	**Dharambir Singh**

ONTARIO CLASS ACTION COUNSEL:

A. Dimitri Lascaris Law Professional Corporation

By: ______________________
(Authorized Signature)

Address for Notices:

Street Address: ______________________

Facsimile: ______________________
Attention: Dimitri Lascaris
Email Address: alexander.lascaris@gmail.com

Henein Hutchinson LLP

By: ______________________
(Authorized Signature) S HUTCHISON

Address for Notices:

Street Address: 235 KING ST. E.
TORONTO, ONTARIO
M5A 1J9

Facsimile: 416 368-6640
Attention: Marie Henein
Email Address: mhenein@hhllp.ca

Kalloghlian Myers LLP

By: ______________________________
(Authorized Signature)

Address for Notices:

Street Address: ____________________
____
____
Facsimile: ____________________
Attention: Serge Kalloghlian
Email Address: serge@kalloghlianmyers.com

Strosberg Sasso Sutts LLP

By: ______________________________
(Authorized Signature)

Address for Notices:

Street Address: ____________________
____
____
Facsimile: ____________________
Attention: David Wingfield
Email Address: dwingfield@strosbergco.com

U.S. CLASS ACTION LEAD PLAINTIFFS:

Granite Point Master Fund, LP

By: ______________________________
(Authorized Signature)

Granite Point Capital Scorpion Focussed Ideas Fund

By: ______________________________
(Authorized Signature)

U.S. CLASS ACTION COUNSEL:

Labaton Sucharow LLP

By: James W. Johnson
(Authorized Signature)

Address for Notices:

Street Address:	140 BROADWAY
	23rd Floor
	NY NY 10005
Facsimile:	212.818.0477
Attention:	JAMES W. JOHNSON
Email Address:	JJohnson@LABATON.com

Weisz Fell Kour LLP

By: ______________________
(Authorized Signature)

Address for Notices:

Street Address:	100 King St. W.
	Suite 5600
	Toronto, ON M5X 1C9
Facsimile:	416.613.8290
Attention:	Steve Weisz
Email Address:	sweisz@wfklaw.ca

SCHEDULE A

Actions

Hrusa et al. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00623567-00CP (ON SC)

Webb v. CannTrust Holdings Inc. et al., Court File No. CV-19-1554 (ON SC)

Jeff Dyck v. CannTrust Holdings Inc. et al., Court File No. 217559 (BC SC)

Selanders v. CannTrust Holdings Inc. et al., Court File No. 1910983 (AB QB)

Diran Avedian v. CannTrust Holdings Inc. et al., Court File No. 500-06-001011-192 (QC CS)

Zola Finance Holdings Ltd. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00002329-00CP (ON SC)

In Re: CannTrust Holdings Inc. Securities Litigation, No. 1:19-CV-06396 (JPO)

Alvarado v. CannTrust Holdings Inc. et al., 1:19-CV-6438 (JPO)

Jones v. CannTrust Holdings Inc. et al., 1:19-CV-6883 (JPO)

Justiss v. CannTrust Holdings Inc. et al., 1:19-CV-7164 (JPO)

Huang v. CannTrust Holdings Inc. et al., 1:19-CV-6396 (JPO)

Owens v. CannTrust Holdings Inc. et al., Court File No. 19CV352374 (California Superior Court, Santa Clara County)

SCHEDULE B

Term Sheet

Proposed Settlement Framework
Securities Claimants and CannTrust (collectively, the "Parties")

Settlement Framework

1. The "**Cash Contribution**" is comprised of:

    (a) a voluntary contribution by the insurers in an amount acceptable to Class Counsel (defined below), failing which the claims of CannTrust and the Original Settlement Parties against the insurers will be assigned to the Securities Claimants Trust (defined below);

    (b) voluntary contributions by any Additional Settlement Parties (defined below) in amounts acceptable to Class Counsel; and

    (c) an additional contribution of $50M by CannTrust.

2. The Cash Contribution will be paid to a trust (the "**Securities Claimants' Trust**") for the benefit of the Plaintiffs and putative class members in the proposed class action(s) brought in Ontario by the Consortium (the "**Ontario Class Action**") and in the United States by Labaton Sucharow (the "**US Class Action**", and collectively with the Ontario Class Action, the "**Actions**") (collectively, counsel for the Plaintiffs in the Ontario Class Action and the US Class Action are "**Class Counsel**") and described below, and such other claimants (collectively, the "**Securities Claimants**") as may be agreed to by CannTrust and Class Counsel.

3. The trustees of the Securities Claimants' Trust (the "**Trustees**") will be those members of the law firms comprising Class Counsel as selected by Class Counsel with half of the Trustees appointed by counsel for the Ontario Class Action and the other half appointed by counsel for the US Class Action. The Trustees will appoint Class Counsel as counsel to the Securities Claimants' Trust. The Trustees of the Securities Claimants' Trust will have the power and discretion to prosecute or settle the claims held by the Securities Claimants' Trust as described herein.

4. This settlement also is contingent on obtaining the agreement of the Plaintiff in the California state court action (the "**California Action**") to all terms hereof .

5. CannTrust and Class Counsel will cooperate in good faith during the mediation and the pendency of the CCAA proceedings to seek a mutually-agreeable settlement with and contribution from (A) each other person or entity named as a defendant in the Actions and/or (B) that is an insurer of (i) an Original Settlement Party (defined below), or (ii) a defendant in the Actions that is a current or former director or officer of CannTrust (together, the **"Other Parties**" and each such Other Party that settles, an "**Additional Settlement Party**"), except for Shawna Page, Robert Marcovitch, Mark Dawber, John Kaden, Mitchell Sanders,

Greg Guyatt, Ilana Platt and Cajun Capital Corporation (collectively with CannTrust, the "**Original Settlement Parties**"; the Original Settlement Parties and the Additional Settlement Parties, if any, are collectively the "**Released Parties**").

6. During the mediation and pendency of the CCAA proceedings, CannTrust will not compromise or settle any of its potential claims against any of the Other Parties without Class Counsel's consent.

7. In the case of any Other Parties that are not the Released Parties ("**Non-Settlement Parties**") at the time that CannTrust implements its CCAA plan of arrangement (the "**CCAA Plan**"), CannTrust will assign to the Securities Claimants' Trust all claims that CannTrust (or its affiliates) has against the Non-Settlement Parties arising out of loss or damage caused to CannTrust in relation to the allegations in the Actions up to the date the court approves the CCAA Plan (the "**CannTrust Claims**"), and all claims that each of the other Original Settlement Parties has against the insurers in relation to the facts alleged in the Actions (collectively with the CannTrust Claims, the "**Assigned Claims**").

8. Class Counsel, counsel for the Securities Claimants' Trust (collectively, "**Prosecution Counsel**") and CannTrust will negotiate a Cooperation Agreement. The Cooperation Agreement will stipulate, among other things, the general principles stated in Appendix "A".

9. Pursuant to the CCAA Plan, and conditional on the plaintiffs in the Actions or Class Counsel, acting on behalf of the Securities Claimants**,** voting in favour of the CCAA Plan and approval of the CCAA Plan by the Court, CannTrust will consent to orders:

    (i) (a) appointing the law firm of Weisz Fell Kour LLP , in association with Labaton Sucharow LLP, as the Canadian representative for plaintiffs in the US Class Action; and (b) allowing US plaintiffs to file an action (with Weisz Fell Kour LLP as counsel) on the Commercial List against any Non-Settlement Parties, or establish a subclass in the Ontario Class Action, with a class defined in same way as the class is defined in the US Class Action and subject to US law in respect to the causes of action (the "**Cross-Border Action"**);

    (ii) continuing the Representation Order (described below) permitting the plaintiffs in the Actions to settle the Ontario Class Action, US Class Action, and Cross-Border Action or prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of such order;

    (iii) approving any settlement with the Non-Settlement Parties; approving notice to members of the Canadian Class Action and US Class Action further to the such settlements; a distribution protocol (*i.e.* plan of allocation) setting forth the distribution of the funds to class members from the Securities Claimants' Trust (less attorneys' fees and litigation expenses) that is consistent with the Securities Claimants' Trust's obligations in paragraph 11 herein; and approving Class Counsel’s request for attorneys’ fees to be paid from the Securities Claimants’ Trust;

(iv) permitting the plaintiffs in the Ontario Class Action to apply to the Commercial List and obtaining an expedited hearing for an order granting leave under the Securities Act (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(v) at Class Counsel’s option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Commercial List and obtaining an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the Class Proceedings Act (Ontario) against any Non-Settlement Parties;

(vi) directing an expedited hearing date on the Commercial List of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the Class Proceedings Act (Ontario) or pursuant to the Commercial List’s statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

(vii) permitting the Securities Claimants’ Trust to obtain on an expedited basis a joint trial date for the claims in the Ontario Class Action, Cross-Border Action and any of the Assigned Claims including the claims of the Securities Claimants’ Trust against any Non-Settlement Parties; and

(viii) prohibiting any other action from being commenced or prosecuted against any Released Parties or any Non-Settlement Parties alleging facts substantially the same or similar as those alleged in the Actions Cross-Border Action or the Assigned Claims held by the Securities Claimants’ Trust.

10. The Securities Claimants’ Trust and Class Counsel agree that where the aggregate amount recovered from the Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or prosecution of the Class Actions and Assigned Claims, exceeds $250 million net of litigation fees and expenses then CannTrust will be entitled to receive in staged amounts to be agreed up to the settlement amount of $50 million.

11. In relation to the CCAA Plan, whether in the sanction order or a separate order, the Court will grant an order, satisfactory to the Released Parties, enjoining, barring and/or extinguishing to the fullest extent permitted by applicable law all claims against the Released Parties in any jurisdiction that have been asserted in the Actions or are based on the events giving rise to the Actions, and all potential claims relating to those claims, including all indemnity, contribution and set off claims, as well as all claims that relate to or arise out of facts and transactions alleged in any of the pending actions against CannTrust or the Released Parties in any jurisdiction (the "**Bar Order**"). Additionally:

    (a) The Securities Claimants and the Securities Claimants' Trust jointly and severally agree and undertake (i) not to seek any damages from any defendant, (ii) not to threaten, make or settle any claim or take any proceeding against any other person or entity, which in either case might result in a claim over, contribution or indemnity or any other claim for damages, being made against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the Bar Order, and (iii) to obtain a full and final release satisfactory to the Released Parties and to be finalized with the Securities Claimants and the Securities Claimants Trust on or before January 31, 2021, if the Securities Claimants or the Securities Claimants' Trust settle with any Non-Settlement Parties;

    (b) Class Counsel and the representative plaintiffs will enter into a supplemental letter containing additional terms that are confidential.

12. The Securities Claimants will support a CCAA Plan and Court Orders in Canada and the United States, and sign appropriate agreements, releases and other documents acceptable to the Released Parties which shall include, without limitation, releases of all United States and Canadian claims against the Released Parties, and documents reasonably necessary and acceptable to CannTrust in order for it to exit CCAA protection. This also includes settlement papers in the United States class actions, whereby releases will be approved by the Court releasing all United States-based federal and state claims.

13. With respect to the US Action:

    (a) Class Counsel and the applicable Released Parties will seek preliminary approval of the settlement in the US Class Action after the CCAA sanction order is granted. Class Counsel and the applicable Released Parties shall cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the US Class Action. The California Action shall be voluntarily dismissed with prejudice;

    (b) The parties shall endeavor to rely on notices given in the CCAA proceedings to the maximum extent practicable.

    (c) Any notice provided in connection with the settlement shall caution putative class members that Class Counsel and the applicable Released Parties believe that the claims of any opt-outs have been barred by the CCAA sanction order and principles of comity;

(d) The final order in the US Class Action (the "**US Approval Order**") shall contain customary broad releases by the putative class of any claims that were or could have been asserted in the Actions (including the California Action).

(e) US Approval Order shall contain a bar order in customary form (the "**US Settlement Discharge**"), which will contain such judgment reduction provisions as may be required by the *Private Securities Litigation Reform Act*. The Parties shall request that the US Approval Order recite that the US Settlement Discharge is without prejudice to and does not limit the applicability of the Bar Order.

(f) Class Counsel shall request that the US Class Action be stayed against the Non-Settlement Parties to enable these claims to be litigated in Cross-Border Action.

(g) The US Class Action shall be dismissed after the Cross-Border Action is initiated.

(h) At the option of the Original Settlement Parties, the settlement may be terminated if: (i) the court in the US Class Action does not approve a settlement containing classwide releases and the US Settlement Discharge in a form acceptable to the Original Settlement Parties; or (ii) if they are otherwise entitled to do so pursuant to the supplemental letter.

<u>Process to Implement Proposed Settlement</u>

1. Pursuant to the Mediation, CannTrust will seek to negotiate and enter into a restructuring support agreement (the "**RSA**") with Class Counsel pursuant to which the Parties would agree to pursue the settlement of all claims by the Securities Claimants and related matters on terms consistent with the "Settlement Framework" above, which will be reflected in a term sheet (the "**Term Sheet**") and attached to the RSA (some of which settlement terms are summarized in paragraph 4 below), following the steps and process described below. The RSA would include other terms customary for a support agreement in a CCAA context and would be in form and content satisfactory to the parties.

2. After the RSA is settled and signed, CannTrust will seek a representation order in the CCAA proceedings ("**Representation Order**"). The order will amongst other things:

(a) appoint the plaintiffs in the Ontario Class Action as the court-appointed representatives of all holders of Securities Claims in Canada ("**Canadian Securities Claimants**") for the purposes of the CCAA proceedings (the "**Canadian Representatives**") and appoint Class Counsel in the Ontario Class Action as counsel for the Canadian Representatives in the CCAA proceedings, with authority to act on behalf of all Canadian Securities Claimants in the CCAA proceedings and for the purposes of carry out the transactions contemplated in the RSA;

(b) appoint the plaintiffs in the US Action as the court-appointed representatives of all holders of Securities Claims in the US ("**US Securities Claimants**") for the purposes of the CCAA proceedings (the "**US Representatives**" and collectively with the Canadian Representatives, the "**Representatives**") and appoint Class Counsel in the

US Action as counsel for the US Representatives in the CCAA proceedings, with authority to act on behalf of all US Securities Claimants in the CCAA proceedings and for the purposes of carry out the transactions contemplated in the RSA; and

(c) establish a process to notify Securities Claimants of the appointment of the Representatives and their counsel and the terms of the settlement contemplated by the RSA, and if necessary, an opportunity for individual Securities Claimants to opt out of representation by the applicable Representatives for the purposes of the CCAA proceedings (the "**Opt Out Claimants**").

3. Any notice or administration expenses prior to the CCAA Sanction Order being granted shall be paid by the Applicants, following which such costs will be funded from the Securities Claimant Trust.

4. CannTrust and the Representatives (with assistance from counsel), consistent with their obligations under the RSA, will negotiate and finalize the terms of the CCAA Plan, the form of CCAA sanction order to be proposed to the court and other definitive documents. The CCAA Plan would contemplate the following features, among other things, consistent with the Term Sheet attached to the RSA:

(a) the creation of the Securities Claimants' Trust on or before the plan implementation date, to which contributions from CannTrust and any Additional Settlement Party would be made to fund distributions to Securities Claimants;

(b) appointing the Trustees and counsel to the Securities Claimants' Trust as contemplated in section 3 of the settlement framework above;

(c) the payment by the insurers, if applicable, on the plan implementation date, of their share of the Cash Contribution to the Securities Claimants Trust;

(d) the payment by CannTrust, on the plan implementation date, of its share of the Cash Contribution to the Securities Claimants Trust;

(e) the payment by the other Settlement Parties, if applicable, on the plan implementation date, of their respective contributions to the Securities Claimants Trust;

(f) the assignment of the Assigned Claims to the Securities Claimants Trust on the plan implementation date;

(g) broad releases in favour of the Released Parties by way of:

(i) the CCAA Plan and sanction order;

(ii) the US Approval Order; and

(iii) a contractual release, authorized by the CCAA Plan and sanction order and delivered by the Representatives on behalf of Securities Claimants (other than Opt Out Claimants);

(h) to the fullest extent permitted by applicable law and without limitation to the releases described above, a sanction order that enjoins Non-Settlement Parties in any jurisdiction from asserting any claims against the Released Parties that have been asserted in the Actions or are based on the events giving rise to the Actions, and all potential claims relating to those claims, including all indemnity, contribution and set off claims, as well as all claims that relate to or arise out of facts and transactions alleged in any of the pending actions against CannTrust or the Released Parties; and

(i) after the CCAA sanction order and US approval order are obtained, CannTrust will consent to:

(i) (a) appointing the law firm of Weisz Fell Kour LLP as the Canadian representative for plaintiffs in the US Class Action; and (b) allowing US plaintiffs to file the Cross-Border Action;

(ii) continuing the Representation Order permitting the plaintiffs in the Actions to settle the Ontario Class Action, US Class Action, and Cross-Border Action or prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of this order;

(iii) approving any settlement with the Non-Settlement Parties; approving notice to members of the Canadian Class Action and US Class Action further to such settlements; a distribution protocol (*i.e.* plan of allocation) setting forth the distribution of the funds to class members from the Securities Claimants' Trust (less attorneys' fees and litigation expenses) that is consistent with the Securities Claimants' Trust's obligations to Released Parties; and approving Class Counsel's request for attorneys' fees to be paid from the Securities Claimants' Trust;

(iv) permitting the plaintiffs in the Ontario Class Action to apply to the Commercial List and obtaining an expedited hearing for an order granting leave under the Securities Act (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(v) at Class Counsel's option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Commercial List and obtaining an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the Class Proceedings Act (Ontario) against any Non-Settlement Parties;

(vi) directing an expedited hearing date on the Commercial List of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the Class Proceedings Act

(Ontario) or pursuant to the Commercial List's statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

(vii) permitting the Securities Claimants' Trust to obtain on an expedited basis a joint trial date for the claims in the Ontario Class Action, Cross-Border Action and any of the Assigned Claims including the claims of the Securities Claimants' Trust against KPMG and/or any other Non-Settlement Parties as the Securities Claimants' Trust chooses; and

(viii) prohibiting any other action from being commenced or prosecuted against any Released Parties or any Non-Settlement Parties alleging facts substantially the same or similar as those alleged in the Actions, Cross-Border Action or the Assigned Claims held by the Securities Claimants' Trust.

5. CannTrust would file its CCAA Plan with the court and bring a related motion for (i) if necessary, a claims process in respect of Securities Claims and (ii) a meeting order (the "**Meeting Order**"). Among other things, the Meeting Order would:

(a) order creditor meetings to be held to enable affected creditors (including, if necessary, Securities Claimants including Opt Out Claimants), or their proxies, to vote on the CCAA Plan;

(b) approve the form of materials to be distributed and the notice procedures for the meetings;

(c) if a supplemental claims process and/or a vote is conducted, authorize the Representatives to file a "global" proof of claim in the CCAA claims process, and act as voting proxy, on behalf of all Securities Claimants other than the Opt Out Claimants. Purely for voting purposes, the number of Securities Claimants and aggregate amount of the claims for which the Representatives act as proxy would be agreed by CannTrust and the Representatives and confirmed in the Meeting Order; and

(d) if a supplemental claims process and/or a vote is conducted, require each of the Opt Out Claimants to prove the amount of its Securities Claim individually, although CannTrust with Monitor approval would be authorized to consent to the amount of individual Securities Claims by Opt Out Claimants for voting purposes only.

6. Creditor meetings would be held to vote on the CCAA Plan in accordance with the Meeting Order.

7. If the CCAA Plan is approved by the requisite majorities of affected creditors, CannTrust will bring a motion for the CCAA sanction order in respect of the CCAA Plan. If approved by the CCAA court, the CCAA Plan will be binding on all Securities Claimants including Opt Out Claimants (subject to the CCAA Plan thereafter being implemented in accordance

with its terms).

8. After the CCAA sanction order is granted, CannTrust and the US Representatives would seek approval of the US Approval Order.

9. After the US Approval Order is granted, CannTrust with the support of the Representatives would proceed to implement the CCAA Plan and the transactions contemplated by the definitive documents on the plan implementation date, including:

   (a) funding of the Cash Contributions and assignment of the Assigned Claims to the Securities Claimant Trust;

   (b) delivery of the contractual releases;

   (c) dismissal of all actions in the US and Canada as against the Released Parties;

   (d) disbursement of funds from the Securities Claimants' Trust to the extent permitted by the definitive documents; and

   (e) provision by CannTrust of the information and cooperation contemplated in the RSA in relation to the Assigned Claims, as summarized in Schedule C.

SCHEDULE C

Cooperation Agreement – General Principles

A. A material factor influencing CannTrust's decision to execute the Cooperation Agreement is the desire to limit its burden and expense in complying with the agreement. Accordingly, Prosecution Counsel agree to exercise good faith in seeking cooperation from CannTrust and agree not to seek information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burdens or expense on CannTrust.

B. The scope of CannTrust's cooperation shall be limited to the allegations asserted in the Actions as presently filed and the Assigned Claims.

C. All cooperation shall be coordinated in such a manner so that all unnecessary duplication and expense is avoided.

D. CannTrust shall not be required to provide cooperation: (i) in violation of any law or Order from a court of competent jurisdiction; (ii) that waives any privilege; or (iii) with regard to conduct outside the scope of the Assigned Claims.

E. Within ● days after the CCAA Plan is implemented:

(a) CannTrust will provide all non-privileged documents (including electronically stored documents) relevant to the Actions and the Assigned Claims in a form mutually acceptable to the Parties. CannTrust makes no representation regarding, and shall bear no liability with respect to, the accuracy of, or that they have, can or will produce a complete set of any of the documents or information, and the failure to do so shall not constitute a breach or violation of the Cooperation Agreement.

(b) If any documents protected by any privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege, doctrine or law, and/or any privacy law or other rule or law of Ontario, Quebec or any other jurisdiction, are accidentally or inadvertently disclosed or produced, such documents shall be promptly returned to CannTrust and the documents and the information contained therein shall not be disclosed or used directly or indirectly, except with the express written permission of CannTrust, and the production of such documents shall in no way be construed to have waived in any manner any privilege, doctrine, law, or protection attached to such documents.

(c) CannTrust's counsel will meet with Prosecution Counsel to provide an evidentiary proffer which will include information that is not covered by privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege relating to the Actions and the Assigned Claims. The Parties agree that there shall be no audio or video recording or written transcription or record of any statements made or information provided by CannTrust's counsel at the proffer, and that Prosecution Counsel may only make written notes of their own thoughts and impressions at the proffer for the purpose of formulating legal advice, pursuing litigation and/or for the purpose of advancing settlement discussions in the interests of the Securities Claimants and the Securities Claimant Trust, as applicable. Notwithstanding any other provision of the Cooperation Agreement, and for greater certainty, it is agreed that any such written notes, and all statements made and information provided by CannTrust's counsel are privileged, will be kept strictly confidential, may not be directly or indirectly disclosed to any other party, and shall not be used by Prosecution Counsel for any purpose other than for their own internal use in connection with the prosecution of the Actions and Assigned Claims and for no other purpose whatsoever.

F. Prosecution Counsel agree that all documents and information made available or provided by CannTrust under the Cooperation Agreement shall be used only in connection with the prosecution of the Actions and the Assigned Claims, and shall not be used directly or indirectly for any other purpose, except to the extent that the documents or information are already publicly available prior to the time of production from CannTrust or subsequently become publicly available other than through the actions of Prosecution Counsel, the Securities Claimants or the Securities Claimant Trust. Prosecution Counsel agree they shall not disclose the documents and information provided by CannTrust beyond what is reasonably necessary for the prosecution of the Actions or Assigned Claims or as otherwise required by law, and acknowledge that they are bound by the deemed undertaking and Rule 30.1 of the Rules of Civil Procedure and the equivalent rules in other Provinces or jurisdictions, except to the extent that the documents or information are publicly available.

G. Prosecution Counsel may request to interview certain of CannTrust's current or former officers, directors or employees under oath. CannTrust will make best efforts to encourage witnesses to attend the interviews but will not compel witnesses to provide witness statements or other testimony under oath.[1] The Securities Claimant Trust will bear the reasonable costs of counsel retained by CannTrust and witnesses to assist in their interactions with Prosecution Counsel. It shall not be a breach of cooperation if any person or entity asserts any right against self-incrimination or similar privilege.

H. The Securities Claimants and the Securities Claimant Trust agree that section 7 is the exclusive means by which they may obtain discovery or information or documents from CannTrust's current or former officers, directors or employees. They agree not to pursue any other means of discovery against, or seek to compel the evidence of CannTrust's current or former officers, directors or employees, whether in Canada or elsewhere and whether under the rules or laws of this or any other Canadian or foreign jurisdiction, unless that person does not cooperate pursuant to section 7.

I. Subject to the rules of evidence or any court Order, CannTrust agrees to use reasonable efforts to produce at trial or through acceptable affidavits for use at trial a current representative qualified to establish the authenticity of the documents provided by CannTrust pursuant to the Cooperation Agreement (after Class Counsel and counsel for the Securities Claimant Trust, as applicable, has used best efforts to authenticate documents for use at trial without a live witness).

[1] **NTD:** CannTrust has taken the same position with law enforcement since July 2019.

J. To the extent any of CannTrust's cooperation obligations require any current or former employees of CannTrust to travel from their principal place of business or residence to another location, the Securities Claimant Trust shall reimburse that person for reasonable expenses incurred by any such person in connection with fulfilling CannTrust's cooperation obligations.

K. The failure of a specific officer, director, employee or former employee of CannTrust to agree to make him or herself available shall not constitute a violation of the Cooperation Agreement.

L. Any dispute regarding the Cooperation Agreement will not invalidate the CCAA Plan and shall be resolved by way of confidential mediation/arbitration, in a manner to be agreed among the Parties.

This is **Exhibit "J"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

CannTrust

CannTrust Announces Restructuring Support Agreement with Key Class Action Plaintiffs and their Counsel

Jan 20, 2021 | 2021, Press Releases |

Facebook Twitter LinkedIn

Parties agreed to settle litigation by way of CCAA Plan of Arrangement

VAUGHAN, ON, Jan. 20, 2021 /CNW/ – CannTrust Holdings Inc. ("CannTrust" or the "Company") (unlisted) announced today that it has entered into a Restructuring Support Agreement ("RSA") with plaintiffs who have commenced litigation in Canada and the United States (the "Securities Claims") asserting claims against CannTrust and others on behalf of a global class of CannTrust shareholders (together, the "Securities Claimants") and their legal counsel. The RSA provides a comprehensive framework for settling the Securities Claims under a Court-approved plan of compromise, arrangement and reorganization ("Plan of Arrangement") pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("CCAA").

“Today’s announcement represents a significant milestone towards the resolution of substantially all of the civil litigation claims that were filed against CannTrust following the Company’s non-compliance with certain Health Canada regulations,” said Greg Guyatt, Chief Executive Officer at CannTrust. “Although much work remains to conclude the matters contemplated by the RSA, I am pleased that, in addition to relaunching our medical and recreational businesses, we are also making further tangible progress to exit from the CCAA and put CannTrust in a position to be a successful player in the cannabis industry.”

The RSA contemplates that the Securities Claims will be settled as part of a broader restructuring of the Company and its subsidiaries pursuant to a Plan of Arrangement that will be completed under the CCAA. Implementation of the Plan of Arrangement will be subject to several conditions, including negotiation of mutually satisfactory definitive documentation and approval of the Plan of Arrangement by the Ontario Superior Court of Justice (Commercial List) (the “Ontario Court”) in the CCAA proceedings. The RSA requires the parties to negotiate in good faith to finalize the terms of definitive agreements and the Plan of Arrangement on terms consistent with the terms of the RSA and to cooperate in good faith during the mediation ordered by the Ontario Court on May 8, 2020 (the “Mediation”). In addition, the RSA requires the other parties to cooperate with CannTrust to pursue and support the settlement of the Securities Claims in the manner contemplated by the RSA.

The RSA also contemplates the resolution, pursuant to the Plan of Arrangement, of all claims against CannTrust and certain other defendants in the Securities Claims, including Greg Guyatt, Mark Dawber, John Kaden, Robert Marcovitch, Shawna Page, Mitchell Sanders and Cajun Capital Corporation. Upon the implementation of the Plan of Arrangement, CannTrust will, among other things, pay CAD $50 million into a trust that will be established for the benefit of the Securities Claimants. The RSA permits other defendants to elect to join in the settlement of the Securities Claims pursuant to the Plan of Arrangement, subject to certain conditions.

The Company stated that its cash position at January 19, 2021 was approximately CAD $78 million.

CannTrust also expressed its appreciation for the tireless efforts and wise counsel provided to all parties to the RSA by retired Associate Chief Justice of Ontario, Dennis O'Connor, OC, OOnt, who has supervised the Mediation.

CannTrust remains under CCAA protection to facilitate its efforts to resolve its civil litigation claims and complete its review of strategic alternatives, which includes a review of financing options. Aspects of the ongoing efforts remain confidential, and the Company is unable to predict with any certainty either their timing or outcome. In the meantime, the reinstatement of its cannabis licenses and the restoration of its ongoing operations, CannTrust's re-entry into the Canadian recreational and medical cannabis business segments and its entry into the RSA are essential to the Company's focus on rebuilding its franchise. For more information about CannTrust's CCAA proceedings, please visit: www.ey.com/ca/canntrust.

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv and Synr.g, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality products through standardized processes. Our greenhouse produces Grade A cannabis flower, which is currently sold in dried flower, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

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 expectation that CannTrust will settle certain civil litigation claims and emerge from creditor protection under the CCAA. 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 and other 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; and, the ability of CannTrust to implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, 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 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.

This is **Exhibit "K"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 29th
	)	
MR. JUSTICE HAINEY	)	OF JANUARY, 2021

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

(CCAA Representatives and CCAA Representative Counsel Appointment 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, among other things, an order appointing representatives and representative counsel for Securities Claimants (as defined below), was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING (i) the Notice of Motion of the Applicants dated January 20, 2021, (ii) the affidavit of Greg Guyatt sworn January 20, 2021 (the "**Guyatt Affidavit**") and the exhibits thereto, (iii) the affidavit of Serge Kalloghlian sworn January 20, 2021 and the exhibits thereto, (iv) the affidavit of James W. Johnson sworn January 20, 2021 and the exhibits thereto, and (v) the Sixth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January 25, 2021 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Alexander Steele sworn January 27, 2021:

SERVICE

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 Sixth Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, in addition to the capitalized terms defined elsewhere in this Order, the capitalized terms set out in Schedule "A" have the meanings given to them in that schedule.

APPOINTMENT OF CCAA REPRESENTATIVES AND CCAA REPRESENTATIVE COUNSEL

3. **THIS COURT ORDERS** that, subject to paragraph 7, Dharambir Singh and Patrick Hrusa (the **"CCAA Canadian Representatives"**) are hereby appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

4. **THIS COURT ORDERS** that, subject to paragraph 7, Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund (the **"CCAA U.S. Representatives"**, and collectively with the CCAA Canadian Representatives, the **"CCAA Representatives"**) are hereby appointed to represent the interests of the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

5. **THIS COURT ORDERS** that, subject to paragraph 7, A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and

Strosberg Sasso Sutts LLP (**"CCAA Canadian Representative Counsel"**) are hereby appointed as counsel for the Canadian and Non-U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA Canadian Representatives, when and to the extent instructions are provided by them on matters from time to time, and otherwise are authorized to act on behalf of the Canadian and Non-U.S. Securities Claimants from time to time in these proceedings in relation to their Securities Claims and any related claims.

6. **THIS COURT ORDERS** that, subject to paragraph 7, Weisz Fell Kour LLP in association with U.S. Class Action counsel Labaton Sucharow LLP, (**"CCAA U.S. Representative Counsel"** and collectively with CCAA Canadian Representative Counsel, **"CCAA Representative Counsel"**) are hereby appointed as counsel for the U.S. Securities Claimants in these proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA U.S. Representatives, when and to the extent instructions are provided by them on matters from time to time, and otherwise are authorized to act on behalf of the U.S. Securities Claimants from time to time in these proceedings in relation to their Securities Claims and any related claims.

7. **THIS COURT ORDERS** that: Zola Finance Holdings Ltd and Igor Gimelshtein; 1604070 Alberta Ltd., Jeff Dyck, and Diran Avedian; and Shmuel Farhi and their respective counsel are not subject to paragraphs 3, 4, 5, and 6 of this Order (collectively, together with any other person who this Court orders is not subject to paragraphs 3, 4, 5, or 6 of this Order, the **"Excluded Securities Claimants"**).

8. **THIS COURT ORDERS** that, without limiting the scope of the authorizations granted in paragraphs 3, 4, 5, 6 and 9:

(a) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to consult with each other, the Monitor and its counsel, the Applicants and their counsel, and other stakeholders and their respective counsel, including in relation to any negotiations with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation;

(b) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to consult with and obtain input from Securities Claimants in relation to their activities in their respective roles under this Order;

(c) the CCAA Representatives and CCAA Representative Counsel, in their respective capacities as such, shall be at liberty to enter into one or more non-disclosure agreements with the Applicants in relation to confidential information of, or relating to, the Applicants or relating to the Securities Claims;

(d) the CCAA Representatives and CCAA Representative Counsel, in their capacities as such, shall be at liberty to agree to become parties to, and be bound by, the Restructuring Support Agreement (provided that nothing in this Order constitutes approval of the Restructuring Support Agreement or the transactions contemplated thereby); and

(e) the CCAA Representatives and CCAA Representative Counsel shall be at liberty to apply to this Court, on notice to the Monitor and the Applicants, for advice and directions at such times as they may so require.

9. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any other court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental hereto.

NOTICE PROCEDURE

10. **THIS COURT ORDERS** that each of the Applicants and CCAA Representative Counsel are authorized and directed to provide to the Monitor without delay and without charge, the names, last known addresses and last known e-mail addresses (if any) of all Securities Claimants of which they are specifically aware currently or from whom they have received written notice, including the plaintiffs named in any of the Actions ("**Known Securities Claimants**"), and the Applicants and CCAA Representative Counsel are hereby permitted to do so pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

11. **THIS COURT ORDERS** that the Monitor shall not disclose the names of any Securities Claimants or Known Securities Claimants, other than to the Applicants, without prior written notice from CCAA Representative Counsel.

12. **THIS COURT ORDERS** that notice of the granting of this Order shall be provided as follows:

(a) notice in substantially the form set out in Schedule "B" hereto (the "**Notice**") shall be published by the Applicants in *The Globe and Mail* (National Edition) and the Wall Street Journal on at least one occasion within five (5) Business Days of the date of this Order;

(b) the Applicants shall issue a press release consisting of, or that includes, the Notice, in form and content satisfactory to the Monitor, and make a corresponding filing on SEDAR, within five (5) Business Days of the date of this Order;

(c) the Monitor shall send a copy of the Notice to each of the Known Securities Claimants within three (3) Business Days of this Order by email (if known) or by first class mail, addressed to the Known Securities Claimants at the addresses provided by the Applicants and CCAA Representative Counsel pursuant to paragraph 10; and

(d) the Monitor shall post a copy of the Notice to the Monitor's Website.

13. **THIS COURT ORDERS** that treatment of the Securities Claims of the Excluded Securities Claimants pursuant to any CCAA Plan proposed by the Applicants or any further Order of the Court in these proceedings is not changed, limited, or otherwise affected by their status as Excluded Securities Claimants under this Order.

PROTECTIONS

14. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel shall have no liability as a result of their appointment or the fulfillment of their duties in carrying out the provisions of this Order or any further Order of the Court in these proceedings, save and except for any gross negligence or wilful misconduct on their part.

15. **THIS COURT ORDERS** that the appointment of CCAA Representative Counsel pursuant to this Order shall not prevent any of the individual lawyers from the firms that comprise CCAA Representative Counsel from acting as trustee(s) of any trust established for the benefit of Securities Claimants pursuant to the CCAA Plan.

MISCELLANEOUS

16. **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.

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

18. **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 Order and to assist the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel 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, the Monitor, the CCAA Representatives and CCAA Representative Counsel as may be necessary or desirable to give effect to this Order, or to assist the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that each of the Applicants, the Monitor, the CCAA Representatives and CCAA Representative Counsel 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.

Hainey J

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

FEB 01 2021

PER / PAR:

SCHEDULE "A"

DEFINITIONS

"**Actions**" means the actions and other litigation set out in Schedule "D".

"**Business Day**" means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario.

"**Canadian and Non-U.S. Securities Claimants**" means all Persons having Securities Claims, excluding U.S. Securities Claimants.

"**CannTrust Holdings**" means CannTrust Holdings Inc.

"**CCAA Plan**" means the plan of compromise, arrangement and reorganization of the Applicants to be filed in these proceedings to effect, among other things, a settlement of Securities Claims (as such plan may be amended from time to time in accordance with its terms).

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against CannTrust Holdings, 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 (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not any 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 or claim is executory or anticipatory in nature (including any right or claim in connection with the sale of any securities by CannTrust Holdings or others pursuant to the public distribution of its securities or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise 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 (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 a claim provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had CannTrust Holdings become bankrupt on the Filing Date.

"**Filing Date**" means March 31, 2020.

"**Person**" means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Restructuring Support Agreement**" means the restructuring support agreement dated January 18, 2021 between, among others, CannTrust Holdings and CCAA Representative Counsel.

"**Securities Claim**" means:

(i) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and

(ii) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings,

other than a Securities-Related Indemnity Claim.

"**Securities Claimants**" means the holders of Securities Claims.

"**Securities-Related Indemnity Claim**" means any claim of any Person that has been or may be asserted against CannTrust Holdings (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or securities-related claim asserted against such Person or arising from or in connection with any other claim asserted by a co-defendant in an Action against such Person.

"**U.S. Securities Claimants**" means all Securities Claimants who purchased the publicly traded common shares of CannTrust Holdings on the New York Stock Exchange or on any other U.S. based trading platform.

SCHEDULE "B"

NOTICE

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. (the "Applicants")

NOTICE OF CCAA REPRESENTATION ORDER

On March 31, 2020, the Applicants commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Ernst & Young Inc. has been appointed as the monitor of the Applicants (the "**Monitor**") by the Court.

On January 29, 2021, the Court issued an order (the "**CCAA Representation Order**") appointing certain representatives and representative counsel, as detailed further below. All capitalized terms used but not defined in this Notice have the meaning given to them in the CCAA Representation Order.

TAKE NOTICE THAT, pursuant to the CCAA Representation Order, subject to certain limited exceptions set out therein:

1. the CCAA Canadian Representatives have been appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

2. the CCAA U.S. Representatives have been appointed to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

3. A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP ("**CCAA Canadian Representative Counsel**") have been appointed as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA Canadian Representatives;

4. Weisz Fell Kour LLP in association with Labaton Sucharow LLP ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") have been appointed as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their

Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA U.S. Representatives; and

5. the CCAA Representatives and CCAA Representative Counsel are authorized to, among other things, negotiate with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

Copies of the CCAA Representation Order and other documents related to the CCAA Proceedings may be obtained from the case website maintained by the Monitor at http://www.ey.com/ca/canntrust.

If you have any questions regarding these matters, you may contact CCAA Canadian Representative Counsel, CCAA U.S. Representative Counsel and/or the Monitor as follows:

CCAA Canadian Representative Counsel:

A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP

Email: canntrust@strosbergco.com
Tel: 519-561-6296

CCAA U.S. Representative Counsel:

Weisz Fell Kour LLP

Email: sweisz@wfklaw.ca
Tel: 416-613-8281

Labaton Sucharow LLP

Email: jjohnson@labaton.com
Tel: 212-907-0859

Monitor:

Ernst & Young Inc.
Telephone: 1-855-224-0800 or 416-943-2091
Fax: 416-943-3300
Email: CannTrust.Monitor@ca.ey.com

SCHEDULE "C"

EMAIL ADDRESSES FOR NOTIFICATION OF MONITOR AND CCAA REPRESENTATIVE COUNSEL

The Monitor (Ernst & Young Inc.)	canntrust.monitor@ca.ey.com
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Strosberg Sasso Sutts LLP	dwingfield@strosbergco.com
Labaton Sucharow LLP Weisz Fell Kour LLP	jjohnson@labaton.com MRogers@labaton.com sweisz@wfklaw.ca skour@wfklaw.ca

SCHEDULE "D"

ACTIONS

Hrusa et al. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00623567-00CP (ON SC)

Webb v. CannTrust Holdings Inc. et al., Court File No. CV-19-1554 (ON SC)

Jeff Dyck v. CannTrust Holdings Inc. et al., Court File No. 217559 (BC SC)

Selanders v. CannTrust Holdings Inc. et al., Court File No. 1910983 (AB QB)

Diran Avedian v. CannTrust Holdings Inc. et al., Court File No. 500-06-001011-192 (QC CS)

Zola Finance Holdings Ltd. v. CannTrust Holdings Inc. et al., Court File No. CV-19-00002329-00CP (ON SC)

In Re: CannTrust Holdings Inc. Securities Litigation, No. 1:19-cv-06396 (JPO)

Alvarado v. CannTrust Holdings Inc. et al., 1:19-cv-6438 (JPO)

Jones v. CannTrust Holdings Inc. et al., 1:19-cv-6883 (JPO)

Justiss v. CannTrust Holdings Inc. et al., 1:19-cv-7164 (JPO)

Huang v. CannTrust Holdings Inc. et al., 1:19-cv-6396 (JPO)

Owens v. CannTrust Holdings Inc. et al., Court File No. 19CV352374 (California Superior Court, Santa Clara County)

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
(CCAA Representative and CCAA Representative Counsel Appointment Order)

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Lawyers for the Applicants
MT DOCS 20931508

This is **Exhibit "L"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

Brookfield Infrastructure selling energy business Enwave

Ontario Teachers' Pension Plan among the buyers in multibillion-dollar deal

DAVID MILSTEAD INSTITUTIONAL INVESTMENT REPORTER

After nearly a decade of growth, **Brookfield Infrastructure Partners LP** is selling Enwave, an urban energy-systems business, to several institutional investors, including Ontario Teachers' Pension Plan.

The deal splits Enwave's Canadian business from its U.S. operations. All told, Brookfield says the deal is valued at US$4.1-billion, including the assumption of debt. Brookfield did not disclose the price the buyers are paying for Enwave's stock.

Teachers, in its own announcement of the transaction, said it and its partner, Australia's IFM Investors, will acquire the Canadian operations in a transaction valued at $2.8-billion, including assumption of debt.

Enwave Energy Corp. operates in what's called "district energy" – a network of concentrated heating and cooling systems, usually in an urban downtown core, that allows buildings to share systems and often benefit from greener forms of energy. Enwave traces its roots to Toronto, where it used deep-lake-water cooling from Lake Ontario, which Brookfield says is about 2.5 times more efficient than conventional cooling and leads to a 90-per-cent reduction in energy usage compared with conventional heating and cooling systems.

Brookfield acquired the company in 2012 from its owners, the City of Toronto and Ontario Municipal Employees Retirement System, for $480-million in cash and assumed debt and built it out from Toronto.

Its U.S. business currently serves more than 340 customers in eight cities across eight states, including Seattle, Los Angeles, Las Vegas, Chicago and Houston. The Canadian operations serve 320 customers across Toronto, London, Ont., Charlottetown and Windsor, Ont. In Toronto, TD Centre's six office towers, Brookfield Place and Toronto General Hospital are all connected to Enwave's system.

In the third-quarter earnings call for parent company Brookfield Asset Management Inc., Mark Murski, chief operating officer for Brookfield Infrastructure's business in the Americas, traced Enwave's history. He said that Brookfield Infrastructure believed it was buying a company with strong cash flows that it could take to other markets and increase sales multiple times over.

"At the time, the business was serving a small subset of hospitals, data centres, offices and residential buildings in the Toronto downtown core, and the growth aspirations were modest and limited to the local market," Mr. Murski said. "What we had at acquisition was a leading unregulated utility but one that had unutilized capacity due to the lack of a proactive sales culture," he said.

Since 2012, Mr. Murski said, Enwave's EBITDA – or earnings before interest, taxes, depreciation and amortization – have increased to more than US$200-million from US$26-million – a gain of 21 per cent, compounded annually. Nearly two-thirds of that growth came from the existing businesses, rather than through acquisitions.

"For those less familiar with infrastructure asset class, this level of growth for utility is unparalleled," Mr. Murski said. "And this was all completed while maintaining an investment-grade rating. Over all, we believe we have generated approximately US$3-billion of value."

Mr. Murski said Enwave's district-energy-generation assets are among the most efficient and cleanest in the world. He said the company is North America's largest recycler of building waste energy, and the operator of the world's largest commercial deep-lake cooling system, and North America's largest heating and cooling thermal batteries. He says Enwave operates North America's largest ice battery, which is used for making and storing ice at night when electricity prices are at their lowest. The chilled water is distributed during the day to cool buildings.

Together, Mr. Murski said, the energy savings of all these technologies are equivalent to the annual energy consumption of 15,000 residential homes.

Teachers will own 50 per cent of the Canadian business along with investment management company IFM Investors, established more than 25 years ago by a group of Australian pension funds. It's their second deal together; they currently co-own Global Container Terminals, which operates terminals in two principal North American ports.

Dale Burgess, senior managing director of Teachers' Infrastructure & Natural Resources department, said Enwave "is a prime example of an investment that we believe can be both commercially attractive and contribute to broader sustainability efforts."

Brookfield sold the U.S. business to Australian investment manager QIC and consortium partner Ullico, which is affiliated with the Union Labor Life Insurance Co., founded in 1927 by U.S. labour leaders including Samuel Gompers of the American Federation of Labor.

BELL MEDIA CUTS WILL AFFECT MORE THAN 200 EMPLOYEES IN TORONTO, UNION SAYS

The union representing some **Bell Media Inc.** workers says a total of 210 employees in the Toronto area are being laid off, with most of the notifications taking place Tuesday.

Howard Law, media section director for Unifor, says about 100 of the employees are union members and are connected to Toronto television newsrooms, while the non-union staff include administration and sales staff.

He says the affected union members include field camera operators, but not on-air television reporters. Mr. Law declined to be specific because he says some affected employees may not have been notified yet.

He says some support staff are being laid off temporarily because certain local TV information shows aren't being made in-house during the COVID-19 pandemic.

Bell Media didn't immediately respond to requests for comment.

Bell Media is part of BCE Inc.'s Bell Canada division, the country's largest telecommunications company. Its holdings include the CTV television network, specialty TV channels, radio stations and production studios.

A Bell Media spokesman confirmed Monday that it had cut an unspecified number of staff, including on-air broadcast roles, owing to programming decisions by Bell's radio brands as part of the company's streamlined operating structures.

"They're laying off camera operators, which has to mean less news coverage, unless they expect everybody else to work twice as hard," Mr. Law said on Tuesday.

THE CANADIAN PRESS

Alphabet tops sales forecasts on ad revenue

PARESH DAVE
MUNSIF VENGATTIL

Alphabet Inc. on Tuesday beat fourth-quarter sales expectations as advertising customers unleashed budgets for the holidays, and the Google owner disclosed for the first time that its Cloud unit is losing US$5.6-billion a year.

Shares of Alphabet, up 9.5 per cent this year, rose 7 per cent after hours to US$2,053.75.

Google's advertising business, including YouTube, accounted for 81 per cent of Alphabet's US$56.898-billion in fourth-quarter sales, which rose 23 per cent compared with a year ago. Budget cuts by travel and entertainment advertisers in 2020 were nearly made up as the year went on by new spending from retail and other clients who were driven online by the COVID-19 pandemic.

Analysts tracked by Refinitiv had estimated quarterly revenue of US$53.129-billion, or growth of 15.31 per cent.

The Cloud disclosure marks a major milestone for Google, which generates more revenue from internet advertising than any company globally. Google for years has faced questions over whether it can spin the cash from its advertising business into a newly profitable venture.

Alphabet said Google Cloud posted a quarterly operating loss of US$1.24-billion. Google Cloud sales were US$3.831-billion, or US$13.059-billion for the full year, up 46 per cent from 2019. The full-year Cloud operating loss widened 21 per cent to US$5.6 billion.

Over the past year, as Google chief executive Sundar Pichai added the title of Alphabet CEO, he has given investors greater clarity into the sprawling company's performance. Before sharing Cloud costs and operating income, the company started disclosing Cloud and YouTube advertising sales.

Alphabet's quarterly profit rose 43 per cent to US$15.2-billion, or US$22.30 a share, compared with the average estimate of US$10.895-billion, or US$15.95 a share.

Alphabet's revenue, which for years had consistently increased by about 20 per cent annually, in 2020 increased by just 12.8 per cent.

The company remains undervalued compared with some rivals. Microsoft Corp. shares entering Tuesday traded at 10 times expected revenue over the next 12 months and Facebook Inc. seven times, while Alphabet shares were about six times.

REUTERS

LEGALS

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. (the "Applicants")

NOTICE OF CCAA REPRESENTATION ORDER

On March 31, 2020, the Applicants commenced proceedings (the "**CCAA Proceedings**") under the Companies' Creditors Arrangement Act ("**CCAA**") pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Ernst & Young Inc. has been appointed as the monitor of the Applicants (the "**Monitor**") by the Court.

On January 29, 2021, the Court issued an order (the "**CCAA Representation Order**") appointing certain representatives and representative counsel, as detailed further below. All capitalized terms used but not defined in this Notice have the meaning given to them in the CCAA Representation Order.

TAKE NOTICE THAT, pursuant to the CCAA Representation Order, subject to certain limited exceptions set out therein:

1. the CCAA Canadian Representatives have been appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;
2. the CCAA U.S. Representatives have been appointed to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;
3. A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP ("**CCAA Canadian Representative Counsel**") have been appointed as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA Canadian Representatives;
4. Weisz Fell Kour LLP in association with Labaton Sucharow LLP ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") have been appointed as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA U.S. Representatives; and
5. the CCAA Representatives and CCAA Representative Counsel are authorized to, among other things, negotiate with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

Copies of the CCAA Representation Order and other documents related to the CCAA Proceedings may be obtained from the case website maintained by the Monitor at http://www.ey.com/ca/canntrust.

If you have any questions regarding these matters, you may contact CCAA Canadian Representative Counsel, CCAA U.S. Representative Counsel and/or the Monitor as follows:

CCAA Canadian Representative Counsel:
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Ernst & Young Inc.
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Fax: 416-943-3300
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CannTrust+

NOTICE TO CREDITORS

of FIGR Brands, Inc., Canada's Island Garden Inc. and FIGR Norfolk Inc.

RE: NOTICE OF CCAA FILING

NOTICE IS HEREBY GIVEN that on January 21, 2021, FIGR Brands, Inc., Canada's Island Garden Inc. and FIGR Norfolk Inc. (collectively, "**FIGR**") sought and obtained from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") under court file number CV-21-00655373-00CL. Pursuant to the Initial Order, FTI Consulting Canada Inc. has been appointed as monitor of FIGR (the "**Monitor**").

PLEASE TAKE NOTICE that a copy of the Initial Order and other public information concerning FIGR's proceedings under the CCAA can be found on the Monitor's website at http://cfcanada.fticonsulting.com/figr or may be obtained by contacting the Monitor using the contact details below. FIGR intends to seek approval of sales and investment solicitation process (a "SISP") in respect of its business and assets. Information pertaining to the SISP will be posted on the Monitor's website following Court approval and inquiries can be made directly through the Monitor:

FTI Consulting Canada Inc.
Monitor of FIGR
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Phone: 416-649-8128
Toll Free: 1-844-669-6345
Email: FIGR@fticonsulting.com

This is **Exhibit "M"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

BUSINESS & FINANCE

EA to Return to College Football Arena

By Sarah E. Needleman
And Laine Higgins

Electronic Arts Inc. plans to bring back college football videogames after it stopped making them years ago amid a legal battle over the use of student-athletes' names and images.

Yet the return comes with a twist, the company says: The new games, for now, will feature real teams, but not specific players, in a bet that gamers will care more about the name on the front of the jersey than those on the back.

Under an agreement announced on Tuesday with collegiate-trademark company CLC, EA secured exclusive rights to market a game that features team logos, uniforms and other college game-day traditions.

EA's intention to re-enter the college-sports arena comes amid a complex debate involving Congress, state legislatures and the National Collegiate Athletic Association—the largest nonprofit body supervising U.S. college sports—over how and whether to compensate student athletes.

The videogame publisher is starting game development work—a process that can take years—without current players or their likenesses due to uncertainty around rules from the NCAA, a spokesman said.

The NCAA currently restricts third parties from using those attributes but that could soon change as the organization has committed to rewriting its bylaws amid pressure from high-profile litigation and state legislation.

The announcement comes as EA reported revenue rose 5% in the latest quarter to $1.67 billion as the pandemic continued to fuel demand for at-home entertainment.

Shares of EA closed Tuesday up 3.7% but dipped in extended trading after the release of the company's earnings report.

EA started producing college-football games in the 1990s, many under the banner NCAA Football.

Problems began to mount, however, after former UCLA basketball player Ed O'Bannon more than a decade ago sued the NCAA, the videogame publisher and the collegiate licensing company over the use of Mr. O'Bannon's image for commercial purposes while denying him a cut of the profits.

Mr. O'Bannon later won a landmark antitrust case that challenged the NCAA's long-held definition of amateurism as unpaid service. Though a settlement was reached, EA said in 2013 it was canceling the series due to lingering legal acrimony.

EA Chief Executive Andrew Wilson told The Wall Street Journal in 2019 that the company was looking to bring back college-football games but that doing so would be challenging because of the NCAA's rules. "We would love to build a game if there is a world where, you know, the folks who govern these things are able to solve for how to pay players for the use of the name and likeness and stats and data," he said at the time.

The NCAA spent the better part of 2020 drawing up guidelines that would allow athletes to profit from their name, image and likeness—a major concession that came in the aftermath of California enacting a law enabling athletes to enter sponsorship deals and broad bipartisan interest in reform from Congress.

At the same time, public support for paying college athletes has steadily grown in the wake of stories like University of Connecticut basketball player Shabazz Napier not having enough money for food while the school generated revenue from selling his jersey.

Biggest 1,000 Stocks | WSJ.com/stocks

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
▲-New 52-week high.
▼-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Tuesday, February 2, 2021

A B C

Stock	Sym	Close	Net Chg
ABB	ABB	30.47	0.33
AECOM	ACM	54.14	2.06
AES	AES	25.75	0.94
Aflac	AFL	46.31	0.70
▲ AGCO	AGCO	117.32	2.70
AGNC Invt	AGNC	16.08	0.19
Ansys	ANSS	375.12	7.18

Stock	Sym	Close	Net Chg
ASETech	ASX	7.09	0.17
ASML	ASML	553.50	-0.89
AT&T	T	28.54	-0.11
AbbottLabs	ABT	120.24	-2.30
AbbVie	ABBV	103.47	1.17
AbCelleraBio	**ABCL**	**47.95**	**-5.25**
Abiomed	ABMD	347.84	5.98
Accenture	ACN	248.75	1.18
ActivisionBliz	ATVI	93.98	2.56
AdaptiveBiotech	**ADPT**	**60.39**	**4.20**

Stock	Sym	Close	Net Chg
Adobe	ADBE	484.93	14.93
AdvanceAuto	AAP	154.08	3.11
AdvMicroDevices	AMD	88.86	1.20
Aegon	AEG	4.16	0.03
AffirmHldgs	**AFRM**	**113.00**	**5.39**
AgilentTechs	A	123.19	2.36
AgnicoEagle	AEM	69.35	-1.42
AirProducts	APD	273.95	5.00
Airbnb	ABNB	179.17	-1.27
AkamaiTech	AKAM	112.21	0.56

Stock	Sym	Close	Net Chg
Albemarle	ALB	169.25	2.88
Albertsons	ACI	16.48	-0.60
Alcon	ALC	74.38	1.54
AlexandriaRlEst	ARE	166.46	-3.10
AlexionPharm	ALXN	154.86	-0.84
Alibaba	BABA	254.50	-10.19
AlignTech	ALGN	557.77	14.72
Alleghany	Y	586.24	10.75
Allegion	ALLE	110.89	0.57
AlliantEnergy	LNT	49.02	0.07
Allstate	ALL	110.79	2.08
AllyFinancial	ALLY	39.75	1.15
AlnylamPharm	ALNY	154.05	4.80
▲ Alphabet A	GOOGL	1919.12	26.05
▲ Alphabet C	GOOG	1927.51	26.16
Alteryx	AYX	129.51	2.87
AlticeUSA	ATUS	36.64	0.72
Altria	MO	41.57	0.80
AlumofChina	ACH	8.17	0.22
Amazon.com	AMZN	3380.00	37.12
Ambev	ABEV	2.92	0.02
Amcor	AMCR	10.93	0.04
Amdocs	DOX	73.08	0.59
Amedisys	AMED	288.00	0.82
Amerco	UHAL	477.20	0.87
Ameren	AEE	72.77	-0.07
AmericaMovil A	AMOV	13.77	0.24
AmericaMovil	AMX	13.50	0.21
AmerAirlines	AAL	16.59	-0.25
AEP	AEP	82.11	0.93
AmerExpress	AXP	120.70	3.67
AmericanFin	AFG	93.44	1.21
AmHomes4Rent	AMH	31.05	-0.34

Stock	Sym	Close	Net Chg
AIG	AIG	38.57	1.15
AmerTowerREIT	AMT	236.15	0.58
AmerWaterWorks	AWK	163.32	1.80
AmericanWell	AMWL	34.89	0.82
AmericoldRealty	COLD	36.52	0.49
Ameriprise	AMP	205.09	4.25
AmerisourceBrgn	ABC	105.62	-1.27
Ametek	AME	116.49	1.61
Amgen	AMGN	240.49	0.06
Amphenol	APH	126.98	1.35
AnalogDevices	ADI	151.87	-0.01
Anaplan	**PLAN**	**74.81**	**3.73**
AngloGoldAsh	AU	23.40	-0.15
AB InBev	BUD	65.88	2.00
AnnalyCap	NLY	8.39	0.10
Anthem	ANTM	298.99	6.43
Aon	AON	210.18	3.50
ApolloGlbMgmt	APO	48.89	1.25
Appian	**APPN**	**193.18**	**-17.89**
Apple	AAPL	134.99	0.85
ApplMaterials	AMAT	103.59	2.38
Aptargroup	ATR	136.94	2.85
Aptiv	APTV	141.26	2.49
Aramark	ARMK	35.42	0.50
ArcelorMittal	MT	21.78	-0.78
ArchCapital	ACGL	33.15	1.13
ArcherDaniels	ADM	50.94	0.46
AresMgmt	ARES	48.67	2.25
▲ arGEN-X	ARGX	324.62	7.22
▲ AristaNetworks	ANET	316.43	0.23
ArrowheadPharm	ARWR	80.52	0.76
AscendisPharma	ASND	151.16	1.78
AspenTech	AZPN	136.86	2.73

Stock	Sym	Close	Net Chg
Assurant	AIZ	133.51	-0.98
AstraZeneca	AZN	50.06	-0.34
Athene	ATH	42.37	1.21
Atlassian	**TEAM**	**248.79**	**13.92**
AtmosEnergy	ATO	88.66	0.01
Autodesk	ADSK	294.61	8.29
Autohome	ATHM	118.84	-0.98
Autoliv	ALV	91.98	1.32
ADP	ADP	168.38	2.03
AutoZone	AZO	1193.67	34.34
Avalara	**AVLR**	**163.44**	**11.09**
Avalonbay	AVB	166.44	1.21
Avangrid	AGR	46.95	-0.41
Avantor	AVTR	30.31	0.81
AveryDennison	AVY	155.99	2.93
AxonEnterprise	AXON	166.53	0.38
BCE	BCE	43.05	0.67
BHP Group	BHP	67.11	-1.23
BHP Group	BBL	55.73	-0.73
BP	**BP**	**20.75**	**-1.46**
Baidu	BIDU	250.52	8.63
BakerHughes	BKR	20.39	0.08
Ball	BLL	90.51	1.09
BallardPower	BLDP	36.51	0.98
BancoBilbaoViz	**BBVA**	**4.84**	**0.30**
BancoBradesco	BBDO	4.14	0.05
BancodeChile	BCH	20.38	-0.17
BancSanBrasil	BSBR	7.60	0.14
BcoSantChile	BSAC	21.09	0.28
BancoSantander	SAN	3.09	0.14
BanColombia	CIB	36.64	0.77
BankofAmerica	BAC	31.03	1.07
BankofMontreal	BMO	75.41	0.93

Stock	Sym	Close	Net Chg
BankNY Mellon	BK	40.85	0.38
BkNovaScotia	BNS	54.14	0.79
Barclays	BCS	7.60	0.20
BarrickGold	GOLD	22.34	-0.20
BauschHealth	BHC	26.99	1.16
BaxterIntl	BAX	76.52	0.14
BectonDicknsn	BDX	258.24	-3.13
BeiGene	BGNE	352.05	5.04
BentleySystems	**BSY**	**44.90**	**2.25**
Berkley	WRB	63.95	1.05
BerkHathwy A	BRK.A	350201	4026.00
BerkHathwy B	BRK.B	232.24	2.92
BestBuy	BBY	108.78	1.09
BeyondMeat	**BYND**	**167.16**	**-10.81**
Bilibili	**BILI**	**129.98**	**8.34**
Bill.com	BILL	137.26	6.52
▲ **Bio-Techne**	**TECH**	**376.76**	**36.69**
Bio-RadLab B	**BIO.B**	**597.60**	**41.05**
Bio-RadLab A	BIO	596.64	4.96
Biogen	BIIB	277.72	-0.74
BioMarinPharm	BMRN	83.19	0.19
BioNTech	BNTX	114.76	-1.34
BlackKnight	BKI	86.42	2.60
BlackBerry	**BB**	**11.55**	**-3.08**
BlackLine	BL	138.79	5.07
BlackRock	BLK	729.50	16.33
▲ Blackstone	BX	70.99	1.66
Boeing	BA	200.94	5.10
BookingHldgs	BKNG	2065.53	75.07
BoozAllen	BAH	83.39	-0.36
BorgWarner	BWA	41.34	-0.74
BostonBeer	**SAM**	**1073.39**	**98.74**

Stock	Sym	Close	Net Chg
BostonProps	BXP	90.50	0.27
BostonSci	BSX	36.64	0.69
BrightHorizons	BFAM	159.60	2.25
BristolMyers	BMY	62.94	0.73
BritishAmTob	BTI	37.24	0.58
▲ Broadcom	AVGO	476.88	10.14
BroadridgeFinl	BR	146.50	0.43
BrookfieldMgt	BAM	39.59	0.48
BrookfieldInfr	BIP	53.67	1.41
BrookfieldPropREIT	BPYU	17.47	...
BrookfieldRenew	BEPC	55.96	-0.19
Brown&Brown	BRO	44.69	1.73
Brown-Forman B	BF.B	72.96	0.80
Brown-Forman A	BF.A	68.10	1.12
Bruker	BRKR	57.16	-0.88
BuildersFirstSrc	BLDR	39.96	0.54
Bunge	BG	69.50	2.23
BurlingtonStrs	BURL	252.36	4.03
CBRE Group	CBRE	65.44	1.74
CDW	CDW	141.44	3.28
CF Industries	CF	43.40	0.43
▲ CGI	GIB	81.19	1.38
CH Robinson	CHRW	86.62	0.19
CME Group	CME	192.01	4.57
CMS Energy	CMS	57.42	0.24
CNA Fin	CNA	39.42	0.55
CNH Indl	CNHI	13.76	0.64
CNOOC	**CEO**	**106.25**	**5.67**
CRH	CRH	43.01	0.37
CRISPR Therap	CRSP	168.15	2.47
CSX	CSX	89.64	2.59
C3.ai	**AI**	**146.88**	**9.13**
CVS Health	CVS	71.83	0.37

Stock	Sym	Close	Net Chg
CableOne	CABO	2079.99	64.75
CadenceDesign	CDNS	135.72	1.32
CaesarsEnt	**CZR**	**76.00**	**5.20**
CamdenProperty	CPT	104.26	-0.63
CampbellSoup	CPB	47.26	-0.77
CIBC	CM	86.25	1.36
CanNtlRlwy	CNI	105.68	3.26
CanNaturalRes	CNQ	23.62	0.65
CanPacRlwy	**CP**	**354.59**	**16.93**
Canon	CAJ	22.29	-0.40
▲ CanopyGrowth	CGC	41.72	1.66
CapitalOne	COF	106.04	3.18
CardinalHealth	CAH	54.54	0.06
Carlisle	CSL	150.00	4.12
Carlyle	CG	33.48	0.77
CarMax	**KMX**	**123.04**	**6.13**
Carnival	CCL	19.45	0.65
Carnival	CUK	16.93	0.68
CarrierGlobal	CARR	38.48	-0.18
Carvana	**CVNA**	**280.65**	**16.41**
▲ Catalent	CTLT	117.73	0.24
Caterpillar	CAT	192.50	7.78
Celanese	CE	125.02	2.35
Cemex	CX	6.26	0.29
CenovusEnergy	CVE	6.19	-0.03
Centene	CNC	59.64	0.04
CenterPointEner	CNP	21.50	0.26
CentraisElBras	EBR	5.82	0.25
CeridianHCM	CDAY	98.60	2.48
Cerner	CERN	80.48	0.39
CharlesRiverLabs	CRL	272.40	6.40
CharterComms	CHTR	616.70	17.68

Continued on Page B11

This is **Exhibit "N"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

CannTrust Announces the Issuance of CCAA Representation Order – Appointment of Representative Counsel for the Securities Claimants

Jan 29, 2021 | 2021, Press Releases |

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VAUGHAN, ON, Jan. 29, 2021 /CNW/ – CannTrust Holdings Inc. ("CannTrust" or the "Company") today announced the issuance of a CCAA Representation Order by the Ontario Superior Court of Justice subject to proceedings under Canada's *Companies' Creditors Arrangement Act* ("**CCAA**"). Today's order appoints certain representatives to represent the interests of certain Securities Claimants and appoints counsel for them, subject to some limited exceptions. The Court also granted an extension to the stay of proceedings, until April 30, 2021.

Please see below for full notice.

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. (the "Applicants")

NOTICE OF CCAA REPRESENTATION ORDER

On March 31, 2020, the Applicants commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Ernst & Young Inc. has been appointed as the monitor of the Applicants (the "**Monitor**") by the Court.

On January 29, 2021, the Court issued an order (the "**CCAA Representation Order**") appointing certain representatives and representative counsel, as detailed further below. All capitalized terms used but not defined in this Notice have the meaning given to them in the CCAA Representation Order.

TAKE NOTICE THAT, pursuant to the CCAA Representation Order, subject to certain limited exceptions set out therein:

1. the CCAA Canadian Representatives have been appointed to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;
2. the CCAA U.S. Representatives have been appointed to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

3. A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP ("**CCAA Canadian Representative Counsel**") have been appointed as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA Canadian Representatives;
4. Weisz Fell Kour LLP in association with Labaton Sucharow LLP ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") have been appointed as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims, and are authorized and directed to take instructions from the CCAA U.S. Representatives; and
5. the CCAA Representatives and CCAA Representative Counsel are authorized to, among other things, negotiate with respect to the settlement of Securities Claims and the prosecution or settlement of any related claims and the development of the CCAA Plan and any related definitive documentation.

Copies of the CCAA Representation Order and other documents related to the CCAA Proceedings may be obtained from the case website maintained by the Monitor at http://www.ey.com/ca/canntrust.

If you have any questions regarding these matters, you may contact CCAA Canadian Representative Counsel, CCAA U.S. Representative Counsel and/or the Monitor as follows:

CCAA Canadian Representative Counsel:

~~A. Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP~~

Email: canntrust@strosbergco.com
Tel: 519-561-6296

CCAA U.S. Representative Counsel:

Weisz Fell Kour LLP

Email: sweisz@wfklaw.ca
Tel: 416-613-8281

Labaton Sucharow LLP

Email: jjohnson@labaton.com
Tel: 212-907-0859

Monitor:

Ernst & Young Inc.
Telephone: 1-855-224-0800 or 416-943-2091
Fax: 416-943-3300
Email: CannTrust.Monitor@ca.ey.com

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv and Synr.g, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality
products through standardized processes. Our greenhouse produces Grade A cannabis flower, which is currently sold in dried flower, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

Learn more at www.canntrust.com.

This is **Exhibit "O"** referred to in the
affidavit of **Greg Guyatt**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

INFORMATION STATEMENT

relating to a proposed

PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

pursuant to the *Companies Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) of

**CANNTRUST HOLDINGS INC.,
CANNTRUST INC. AND
ELMCLIFFE INVESTMENTS INC.**

March ●, 2021

This information statement is being sent to certain creditors of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. in connection with meetings called to consider the plan of compromise, arrangement and reorganization dated March 19, 2021 (as may be amended) that are scheduled to be held on April 30, 2021 by videoconference due to COVID-19 pandemic.

These materials require your immediate attention. You should consult your legal, financial, tax and other professional advisors in connection with the contents of these documents. *If you have any questions regarding voting procedures or other matters or if you wish to obtain additional copies of these materials, you may contact the court-appointed monitor, Ernst & Young Inc., by telephone at 416-943-2091 (Toronto local) or 1-855-224-0800 (toll-free) or by email at CannTrust.Monitor@ca.ey.com. Copies of these materials and other materials in the within proceedings are also posted on the following website: www.ey.com/ca/canntrust.*

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SUMMARY

*The following is a summary of certain information contained elsewhere in this information statement (the "**Information Statement**"). This summary is included for convenience only and is qualified in its entirety by the more detailed information contained elsewhere in this Information Statement, including the terms of the CCAA Plan, which should be read by all Affected Creditors to determine whether to approve the CCAA Plan. Capitalized terms used but not defined in this summary have the meanings given to them in the Plan or, if not defined in the Plan, in the Meeting Order.*

Overview

Meetings of the Affected Creditors (i.e., holders of General Unsecured Claims (Opco), General Unsecured Claims (Elmcliffe), General Unsecured Claims (CannTrust Holdings) and Securities Claims), will be held on April 30, 2021 by videoconference due to the COVID-19 pandemic. The purpose of the Meetings is to consider and, if thought advisable, to pass a resolution to approve a plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") dated March 19, 2021 (as amended from time to time, the "**CCAA Plan**"). A copy of the CCAA Plan is attached as Schedule "B" to the Information Statement.

Background and Overview

The CannTrust Group 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. The CannTrust Group produces cannabis for the recreational and medical cannabis markets across Canada. The CannTrust Group operates production and processing facilities in Fenwick and Vaughan, Ontario and real estate interests in British Columbia.

Following regulatory audits of its facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws (the "**Health Canada Audits**"). Following the Health Canada Audits, among other things, shipments of all of the CannTrust Group's cannabis products were stopped, its cannabis licences were partially suspended and multiple putative securities class actions and other actions were commenced against CannTrust Holdings Inc. ("**CannTrust Holdings**") and others in several provinces in Canada and at the federal and state level in the United States (the "**Actions**").

In the second half of 2019 and the first quarter of 2020, the CannTrust Group undertook extensive efforts to address these challenges. However, despite these efforts, the situation facing the CannTrust Group by the end of March 2020 was still highly uncertain and the CannTrust Group determined that it was in the best interests of the CannTrust Group and its stakeholders to commence proceedings pursuant to the CCAA (the "**CCAA Proceedings**") to obtain the breathing space necessary to, among other things, (i) complete the remediation of its facilities and obtain the reinstatement of its cannabis licences, (ii) right-size its business to better reflect its current and anticipated operational footprint; (iii) restore cultivation and processing operations and return to the recreational and medical cannabis markets upon the reinstatement of its licences; (iv) facilitate the continuation of the board of directors' review of strategic alternatives, including any potential sale of or other strategic transaction involving the CannTrust Group, and (v) explore a global resolution of the Actions and address the other claims and contingent claims against the CannTrust Group in a single forum.

Since commencing the CCAA Proceedings before the Ontario Superior Court of Justice (Commercial List) (in its capacity as the court supervising the CCAA Proceedings, "**CCAA Court**") on March 31, 2020, the CannTrust Group has completed each of its business restructuring objectives. Specifically, the CannTrust Group completed the remainder of its remediation work, obtained the reinstatement of its cannabis licences, resumed production and processing operations and returned to the recreational and medical cannabis markets.

The CCAA Court appointed the Honourable Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to conduct a mediation process between CannTrust Holdings, plaintiffs and representative plaintiffs in the Actions, Co-Defendants and Insurers with a view to reaching a resolution of some or all of the Securities Claims and related claims between the various parties. As a result of the extensive negotiations facilitated by the Court-Appointed Mediator, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action and the U.S. Class Action and their counsel regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims.

The CCAA Plan implements this framework for the settlement of all Securities Claims and addresses the other claims and contingent claims against the CannTrust Plan Companies. Accordingly, with the implementation of the CCAA Plan, should it be approved by the Affected Creditors and the CCAA Court, the CannTrust Group will have accomplished each of its restructuring objectives and be in a position to emerge from the CCAA Proceedings as a going concern.

The CannTrust Plan Companies believe that the CCAA Plan is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern as:

(a) the CannTrust Plan Companies, along with Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") and the Monitor, carried out a robust marketing and solicitation process approved by the CCAA Court which did not result in any executable proposals for a recapitalization or sale transaction; and

(b) the CannTrust Plan Companies have limited remaining cash in excess of the $50 million needed to fund the proposed settlement, and their ability to obtain further financing is dependent on a clear path being provided toward a successful restructuring and exit from these CCAA Proceedings.

The CCAA Plan

The objective of the CCAA Plan is to allow the CannTrust Plan Companies to emerge from the CCAA Proceedings while balancing the interests of all stakeholders of the CannTrust Plan Companies in a fair and reasonable manner in the circumstances.

Treatment of Affected Creditors

Generally, the CCAA Plan provides for the following treatment of claims:

(a) <u>General Unsecured Claims (Opco)</u>: Each General Unsecured Creditor of CannTrust Inc. ("**CannTrust Opco**") with Proven Claims not exceeding an aggregate of $2,500 or who has duly filed an Election Notice with the Monitor (a "**Convenience Creditor**"), will receive, in full satisfaction of such Proven Claims, a payment in an amount equal to the lesser of $2,500 and the actual amount of the Proven Claims.

Each General Unsecured Creditor with Proven Claims against CannTrust Opco that exceed an aggregate of $2,500 and which General Unsecured Creditor has not duly filed an Election Notice, will receive in full satisfaction of such Proven Claims, the lesser of:

i. such General Unsecured Creditor's *pro rata* share of the balance of the GUC Distribution Pool after deducting (i) the amount held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are General Unsecured Claims, and (ii) the amounts paid to Convenience Creditors in accordance with the CCAA Plan; and

ii. 17% of the amount of such General Unsecured Creditor's Proven Claims that are General Unsecured Claims (Opco).

(b) General Unsecured Claims (Holdings): Each General Unsecured Creditor of CannTrust Holdings with Proven Claims that are General Unsecured Claims (CannTrust Holdings) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims.

(c) General Unsecured Claims (Elmcliffe): Each General Unsecured Creditor of Elmcliffe Investments Inc. ("**Elmcliffe**") with Proven Claims that are General Unsecured Claims (Elmcliffe) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor.

(d) Securities Claims: Securities Claimants will have the right to receive distributions from a trust established for the benefit of Securities Claimants, among others (the "**Securities Claimant Trust**"), to which (i) CannTrust Holdings will pay or cause to be paid $50 million, (ii) CannTrust Holdings and CannTrust Opco will assign their claims against any non-settling Co-Defendants and Insurers, and (iii) Additional Settlement Parties may make further contributions of cash and assigned claims.

(e) Securities-Related Indemnity Claims: All Securities-Related Indemnity Claims will be compromised without any distribution under the CCAA Plan.

(f) Securities-Related Section 5.1(2) Claims: All Securities-Related Section 5.1(2) Claims will be channelled to and limited to recovery solely from the Securities Claimant Trust.

(g) Unaffected Claims: Unaffected Claims will either be paid pursuant to the CCAA Plan or satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company.

Classification of Creditors

The CCAA Plan provides for the following four classes of Affected Creditors for the purposes of considering and voting on the resolution to approve the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims (CannTrust Holdings) (the "**CannTrust Holdings GUC Class**");

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe) (the "**Elmcliffe GUC Class**");

(c) a class of Creditors holding General Unsecured Claims (Opco) (the "**Opco GUC Class**" and collectively with the CannTrust Holdings GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**"); and

(d) a class of Creditors holding Securities Claims (the "**Securities Claimant Class**").

The Meetings

Pursuant to the order of the CCAA Court issued on March 19, 2021 (the "**Meeting Order**"), the following Meetings have been called to consider and vote on the CCAA Plan:

(a) a meeting of the CannTrust Holdings GUC Class (the "**CannTrust Holdings GUC Meeting**") which is scheduled for April 30, 2021 at 11:00 a.m. EST;

(b) a meeting of the Elmcliffe GUC Class (the "**Elmcliffe GUC Meeting**"), which is scheduled for April 30, 2021 at 11:30 a.m. EST;

(c) a meeting of the Opco GUC Class (the "**Opco GUC Meeting**" and collectively with the CannTrust Holdings GUC Meeting and the Elmcliffe GUC Meeting, the "**GUC Meetings**"), which is scheduled for April 30, 2021 at 12:00 p.m. EST; and

(d) a meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**"), which is scheduled for April 30, 2021 at 2:00 p.m. EST.

Each Meeting will be held and conducted in accordance with the provisions of the Meeting Order.

Entitlement to Vote

In respect of the GUC Meetings, only General Unsecured Creditors holding General Unsecured Claims against the applicable CannTrust Plan Company that are Proven Claims or Unresolved General Unsecured Claims or their proxies will be entitled to vote at the applicable Meeting. For each of the GUC Classes, each General Unsecured Creditor as of the Record Date with a General Unsecured Claim that is a Proven Claim will be entitled to one vote in respect of such General Unsecured Claim, which vote shall have a value equal to the dollar value of such General Unsecured Creditor's Proven Claim determined in accordance with the Claims Procedure Order.

In respect of the Securities Claimant Meeting, only the CCAA Representatives and Opt Out Securities Claimants holding Securities Claims that have been accepted for voting purposes pursuant to the Meeting Order or Unresolved Securities Voting Claims or their proxies will be entitled to vote at the Meeting. The CCAA Representatives will be entitled to the number of votes equal to the number of the Represented Securities Claimants determined in accordance with the Meeting Order, which votes shall have an aggregate value equal to the value of the Securities Claims held by the Represented Securities Claimants determined in accordance with the Meeting Order. Each Opt Out Securities Claimant with an Opt Out Securities Voting Claim that is a Proven Claim will be entitled to one vote in respect of such Opt Out Securities Voting Claim which vote shall have a value equal to the Opt Out Securities Claimant's Proven Claim determined in accordance with the Meeting Order.

Creditor Approval of the CCAA Plan

The vote on the resolution to approve the CCAA Plan at the GUC Meetings will be decided by approval of the CCAA Plan by a majority in number of the General Unsecured Creditors of each of the GUC Classes holding Voting Claims representing at least two-thirds in value of the Voting Claims in such class that are in attendance personally or by proxy and voting at each GUC Meeting.

Subject to further order of the CCAA Court, the vote on the resolution to approve the CCAA Plan at the Securities Claimant Meeting will be decided by approval of the CCAA Plan by a majority in number of the Securities Claimants holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Securities Claimant Meeting.

Court Approval of the CCAA Plan

If the CCAA Plan is approved by the Affected Creditors at the Meetings in accordance with the Meeting Order, the CannTrust Plan Companies will seek an order from the CCAA Court, among other things, approving the CCAA Plan (the "**CCAA Sanction Order**"). The hearing in respect of the CCAA Sanction Order is scheduled to take place at ● a.m. on May 14, 2021 by videoconference.

Conditions Precedent to the Implementation of the CCAA Plan

The implementation of the CCAA Plan is conditional on the satisfaction or waiver by the CannTrust Plan Companies of the following conditions, among others:

(a) the CCAA Plan will have been approved by the Affected Creditors;

(b) the CCAA Sanction Order will have been issued by the CCAA Court;

(c) the U.S. Approval Order will have been entered in the U.S. Class Action;

(d) all applicable appeal periods in respect of the CCAA Sanction Order and the U.S. Approval Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellate tribunal;

(e) the Trust Declaration will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(f) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust and the Original Settlement Parties will have assigned their Assigned Claims, if any, to the Securities Claimant Trust;

(g) the terms of the Settlement-Related Agreements and any other Definitive Documents will have been settled in form and substance satisfactory to each of the RSA Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document); and

(h) arrangements satisfactory to the DIP and Exit Lender and the CannTrust Group in respect of the terms governing the DIP and Exit Loan from and after the Plan Implementation Date will have become effective, subject only to the occurrence of the Plan Implementation Date.

Additional Information and Inquiries

If you have any questions regarding voting procedures or other matters, you may contact the Monitor by telephone at 416-943-2091 (Toronto local) or 1-855-224-0800 (toll-free) or by email at canntrust.monitor@ca.ey.com. Copies of these materials and other materials related to the CCAA

Proceedings are also posted on the following website: www.ey.com/ca/canntrust (the "**Monitor's Website**").

IMPORTANT INFORMATION

This Information Statement contains important information that should be read before any decision is made with respect to the matters referred to herein. All summaries of and references to the CCAA Plan in this Information Statement are qualified in their entirety by reference to the text of the CCAA Plan, which is attached as Schedule "B" to this Information Statement. All summaries of and references to the Meeting Order in this Information Statement are qualified in their entirety by reference to the text of the Meeting Order, which is attached as Schedule "C" to this Information Statement. All summaries of and references to other documents related to the CCAA Plan in this Information Statement are qualified in their entirety by the definitive documentation in respect thereof and the terms of such documents may, in accordance with their terms and the CCAA Plan, be amended or supplemented.

Capitalized terms used but not defined herein (excluding the Schedules attached hereto) have the meanings given to such terms in the CCAA Plan or, if not defined in the CCAA Plan, in the Meeting Order.

Information in this Information Statement is given as at March 5, 2021 unless otherwise indicated.

No Person is authorized to give any information or to make any representation not contained or incorporated by reference in this Information Statement and, if given or made, such information or representation should not be relied upon. This Information Statement does not constitute the solicitation of a proxy in any jurisdiction in which such a solicitation is not authorized, or to or from any Person to or from whom it is unlawful to make such proxy solicitation. The delivery of this Information Statement will not, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Information Statement.

This Information Statement does not address income tax consequences to Affected Creditors of their participation in the CCAA Plan and all persons are urged to consult their own tax advisors regarding the income tax consequences of their participation in the CCAA Plan.

Affected Creditors should not construe the contents of this Information Statement as investment, legal or tax advice. Affected Creditors should consult their own counsel, accountants and other advisors as to legal, tax, business, financial and related aspects of the CCAA Plan.

All references to this Information Statement shall be deemed to include the Schedules attached hereto unless otherwise indicated.

THE CANNTRUST GROUP

Corporate Structure

CannTrust Plan Companies

CannTrust Holdings is incorporated and existing under the OBCA. CannTrust Holdings is a holding company whose principal assets are cash, the shares it holds in its direct and indirect subsidiaries, as set out further below, and intercompany receivables from those subsidiaries. The head and principal executive offices of CannTrust Holdings are located in Vaughan, Ontario.

CannTrust Opco is incorporated and existing under the OBCA. CannTrust Opco is a wholly-owned subsidiary of CannTrust Holdings. CannTrust Opco is the principal operating entity of the CannTrust Group and holds its cannabis licences.

Elmcliffe is incorporated and existing under the OBCA. Elmcliffe is a wholly-owned subsidiary of CannTrust Opco. Elmcliffe owns the real estate, buildings and related equipment for the Fenwick Facility (defined below).

CTI

CTI Holdings (Osoyoos) Inc. ("**CTI**") is incorporated and existing under the *British Columbia Business Corporations Act*. CTI is a wholly-owned subsidiary of CannTrust Opco. CTI owns 81 acres of land in British Columbia which the CannTrust Group previously intended to utilize for outdoor cannabis cultivation for its extraction-based productions. CTI is exploring a sale of these lands and intends to use the proceeds for working capital and other corporate purposes.

Affected Parties

The CCAA Plan and CCAA Sanction Order will provide releases and certain other relief in favour of the following entities which are subsidiaries of CannTrust Holdings in which CannTrust Holdings owns directly or indirectly not less than 50% of the common equity.

Elmcliffe Investments [No. 2] Inc. ("**Elmcliffe No. 2**") is an OBCA corporation and a wholly-owned subsidiary of Opco. Elmcliffe No. 2 is the beneficial owner of certain shares of High Tide Inc. and has no other assets.

Cannabis Coffee and Tea Pod Company Ltd. ("**CCTPC**"), an OBCA corporation, is a 50-50 joint venture between CannTrust and Club Coffee L.P. ("**Club Coffee**"). CCTPC was created to launch BrewBudz, a single-use Keurig-style pod for cannabis infused coffee. CannTrust Holdings holds 50% of the outstanding shares of CCTPC directly. Club Coffee holds its 50% interest through its wholly-owned subsidiary Single Dose Solutions Inc.

O Cannabis We Stand On Guard For Thee Corporation ("**O'Cannabis**") is incorporated pursuant to the *Canada Business Corporations Act*. The CannTrust Group, through CannTrust Opco, holds a 50% interest in O'Cannabis, which is a telemedicine service provider.

Business and Operations

The CannTrust Group (specifically, CannTrust Opco) is a licensed producer of cannabis in Canada. The business of the CannTrust Group is focused on two distinct markets: the medical cannabis market and the adult-use recreational cannabis market.

The CannTrust Group grows cannabis in a commercial greenhouse facility of approximately 450,000 square feet in Fenwick, Ontario in the Niagara region (the "**Fenwick Facility**"). The Fenwick Facility is a state-of-the-art greenhouse with computer controlled irrigation, co-generation power supply and full supplemental lighting. The Fenwick Facility is operated with a perpetual harvest system which is capable of producing cannabis 365 days a year and allows for a continuous work cycle, creating a steady production capacity and a stable work environment for employees.

The CannTrust Group operates an extraction, manufacturing and packaging facility of approximately 60,000 square feet in Vaughan, Ontario (the "**Vaughan Facility**"), which includes an in-house product development laboratory.

As described further below, the CannTrust Group recently returned to both the medical cannabis and adult-use recreational cannabis markets and is focused on gradually regenerating sales and expanding its portfolio of products and their market availability.

CCAA PROCEEDINGS

Events Leading to the Commencement of CCAA Proceedings

Health Canada Audits and Resulting Challenges

Prior to June 2019, the CannTrust Group operated an award-winning business that was experiencing operational growth and expanding into new markets and product segments. The CannTrust Group was named *Licensed Producer of the Year* at the 2018 Canadian Cannabis Awards.

However, following regulatory audits of the CannTrust Group's facilities in June and July 2019 (the "**Health Canada Audits**"), Health Canada determined, among other things, that the CannTrust Group was growing and storing cannabis contrary to applicable laws.

In the period following the Health Canada Audits:

(a) the Board formed a special committee of independent directors (the "**Special Committee**") with a broad mandate to, among other things, conduct an investigation into the allegations arising from the Health Canada Audits and any other potential regulatory non-compliance, make recommendations to address the findings of that investigation, and consider potential strategic alternatives available to the CannTrust Group;

(b) the CannTrust Group voluntarily placed a hold on the sale and shipment of all cannabis products;

(c) the Special Committee recommended and the Board agreed to terminate the employment of the chief executive officer of the CannTrust Group, Peter Aceto, for cause, and demanded the resignation of the Chairman of the Board, Eric Paul, who promptly resigned;

(d) Health Canada suspended, in part, the CannTrust Group's licences such that the CannTrust Group was permitted to cultivate and harvest cannabis being grown at the time of suspension but was not permitted to propagate new lots or batches of cannabis or engage in the sale or distribution of cannabis until its licenses were reinstated in full;

(e) the CannTrust Group determined that it needed to destroy a significant portion of its inventory and biological assets that were not authorized by the CannTrust Group's licences because they were acquired, grown or stored inappropriately;

(f) to reduce operating costs while the CannTrust Group's licenses remained under partial suspension, the CannTrust Group implemented several rounds of layoffs and reduced its employee headcount from a high of approximately 800 to approximately 280 employees;

(g) KPMG LLP, the CannTrust Group's auditor, withdrew its audit report on CannTrust Holdings' financial statements for the year ended December 31, 2018 and CannTrust Holdings has not filed any further financial statements since May 2019;

(h) CannTrust Holdings and certain of its current and former officers, directors, employees and other parties were named as defendants in the Actions, which are several putative securities class actions and other actions commenced in several provinces in Canada and at the State and Federal levels in the United States of America. The Actions seek estimated aggregate damages of at least $500 million; and

(i) the Royal Canadian Mounted Police and the Joint Serious Offences Team of the Ontario Securities Commission (the "**OSC**") initiated a criminal investigation and the CannTrust Group may be subject to potential other investigations and proceedings by criminal and regulatory authorities for violations of applicable law.

Initial Steps Taken To Address These Challenges

In the second half of 2019 and the first quarter of 2020, the CannTrust Group 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 OSC, and implementing a comprehensive remediation plan at the Fenwick Facility and the Vaughan Facility. By March 2020, the CannTrust Group had completed the remediation work at its Fenwick Facility and sought the reinstatement of its licence there, and had almost completed remediation work at its Vaughan Facility.

Challenges Remaining in March 2020

Despite these efforts, the situation facing the CannTrust Group by the end of March 2020 was highly uncertain due to the confluence of the following factors:

(a) although its remediation work was almost complete, the CannTrust Group had no certainty with respect to whether Health Canada would reinstate its licences or the timing of any such decisions given the increased burden on Health Canada resulting from the COVID-19 pandemic;

(b) without its cannabis licences, the CannTrust Group had no revenue since July 2019;

(c) the CannTrust Group would continue to incur significant ongoing costs to complete the remediation measures;

(d) the CannTrust Group would also continue to expend significant time and resources defending the Actions, and it was not clear whether the litigation could be resolved within a reasonable time period and on a basis that would leave the CannTrust Group with sufficient financial resources;

(e) if Health Canada decided to reinstate the CannTrust Group's licences, the CannTrust Group would require significant working capital to restore its operations and return to profitability; and

(f) the disruption of global and Canadian capital markets from an oil price shock and the COVID-19 pandemic, coupled with the downturn in the Canadian cannabis industry, rendered the CannTrust Group's ability to attract capital highly doubtful.

Taking these factors into account, the CannTrust Group determined that it was in the best interests of the CannTrust Group and their stakeholders to commence proceedings pursuant to the CCAA and obtain the breathing space necessary to, among other things:

(a) complete the remainder of its remediation plan for its Vaughan Facility and continue to work with Health Canada to resolve any remaining compliance issues and obtain the reinstatement of its licences;

(b) right-size its business to better reflect its current and anticipated operational footprint;

(c) restore cultivation and processing operations and return to the recreational and medical cannabis market upon the reinstatement of its licences;

(d) facilitate the continuation of the Board's review of strategic alternatives, including any potential sale of or other strategic transaction involving the CannTrust Group; and

(e) explore a global resolution of the Actions and address the other claims and contingent claims against the CannTrust Group in a single forum.

Filing for CCAA Protection and Subsequent Events

Initial Order

On March 31, 2020, the CannTrust Group obtained an initial order (as amended and restated from time to time, the "**Initial Order**") under the CCAA from the CCAA Court. The Initial Order provided for a stay of proceedings through April 9, 2020 (the "**Stay Period**"), which has been extended by subsequent Orders of the CCAA Court, most recently until and including May 14, 2021. The CannTrust Group intends to seek a further stay extension in the CCAA Sanction Order to allow it sufficient time to implement the CCAA Plan.

Business Restructuring

Remediation and Licence Reinstatements

The Fenwick Facility and Vaughan Facility are each essential to the CannTrust Group's ability to produce consistent, high quality cannabis products for the recreational and medical cannabis markets. As noted above, 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. The Vaughan Facility is an extraction, manufacturing and packaging facility.

Prior to and following the commencement of the CCAA Proceedings, the CannTrust Group undertook significant efforts to address the findings in the Health Canada Audit Reports, remediate the Fenwick Facility and the Vaughan Facility and seek the reinstatement of its cannabis licenses. This was the

CannTrust Group's first and foremost priority as without its cannabis licenses, the CannTrust Group had no ability to generate any material revenue and no prospect of emerging from the CCAA Proceedings as a going concern.

On February 14, 2020, the CannTrust Group submitted a comprehensive package to Health Canada evidencing its remediation of the Fenwick Facility and seeking the reinstatement of its suspended cannabis licence for that location. On April 3, 2020, Health Canada wrote to the CannTrust Group confirming that it had completed reviewing the remediation package with respect to the Fenwick Facility and asked questions about the remediation package. On April 17, 2020, the CannTrust Group provided its responses to those questions to Health Canada. On May 29, 2020, the CannTrust Group received notice from Health Canada that its licences for its Fenwick Facility had been reinstated.

On April 24, 2020, the CannTrust Group 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 suspended cannabis licences for that location. On May 29, 2020, Health Canada wrote to the CannTrust Group confirming that it had completed reviewing the remediation package with respect to the Vaughan Facility and asking one question about the remediation package. On June 2, 2020, the CannTrust Group provided its response to the question to Health Canada. On August 6, 2020, the CannTrust Group received notice from Health Canada that its licences for its Vaughan Facility had been reinstated.

Recommencing Operations

The CannTrust Group immediately took steps to recommence operations at the Fenwick Facility upon the reinstatement of its licences for that location on May 29, 2020. The CannTrust Group propagated an initial harvest which was cultivated in September 2020 and continued to propagate additional plants as it continued to ramp up production to establish appropriate harvest timing under its perpetual harvest methodology.

Following the reinstatement of its licenses for the Vaughan Facility on August 6, 2020, the CannTrust Group worked diligently to prepare for the commencement of extraction, manufacturing and packaging operations at the Vaughan Facility following the initial harvest at the Fenwick Facility. Following the successful commencement of processing activities at the Vaughan Facility in late September, the CannTrust Group worked to build inventory to meet expected demand once its products returned to market. The CannTrust Group's extraction, manufacturing and packaging operations at its Vaughan Facility are now fully operational.

As of March 5, 2021: (i) the CannTrust Group was using approximately 60% of its licensed cultivation space at the Fenwick Facility; (ii) the CannTrust Group had harvested approximately 6,150 kg of cannabis since recommencing operations at its Fenwick Facility; and (iii) the CannTrust Group had packaged over 750,000 grams of dried flower, over 510,000 ml of cannabis oil and almost 80,000 capsules since recommencing operations at its Vaughan Facility.

The CannTrust Group anticipates that cultivation space utilization and harvest levels at the Fenwick Facility will continue to increase with its sales levels given its recent return to the recreational and medical cannabis markets, as detailed further below.

Returning to Market

Alongside the work that was being performed to obtain the reinstatement of its licences and resume cultivation and processing operations, the CannTrust Group undertook the necessary regulatory, distribution logistics and marketing work so that it was prepared to return to the recreational and medical cannabis markets promptly after its products were ready to be brought to market.

On December 2, 2020, the CannTrust Group announced that it was returning to the Canadian recreational cannabis marketplace with the relaunch of sales of two of its recreational brands, Liiv and Synr.g. These brands were first introduced in 2018 and targeted experienced cannabis consumers. Both brands are sold in dried flower, pre-rolled joint, oil, and capsule form.

The CannTrust Group is initially focused on regenerating recreational sales in Ontario, Alberta, and British Columbia. These provinces have received initial orders of dried flower at their wholesale distribution facilities and have moved inventory into their retail channels where it is available to consumers. The CannTrust Group intends to continue expanding its portfolio of recreational products and their market availability in 2021.

On January 8, 2021, the CannTrust Group announced that it was returning to the medical cannabis market with its new medical brand estora, and would begin serving patients immediately.

The estora branding also included the launch of a new digital platform for engaging with patients and health care practitioners. The platform aims to connect patients, health care practitioners and partners with educational resources and products to assist patients and it includes information on cannabis strains, formats, and accessories. estora's portfolio of 16 cannabis products has been designed with patients in mind, with easy-to-use formats and standardized processes that ensure consistency in every bottle.

Patients have commenced registering with, and placing orders on, the CannTrust Group’s digital platform and the CannTrust Group has begun fulfilling medical cannabis orders.

Right-Sizing Operations

The CannTrust Group has taken numerous steps to right-size its operational footprint to better reflect its current and anticipated needs as it ramps up its production and processing operations. In June 2020, the CannTrust Group disclaimed the lease for its head office space in Vaughan, Ontario after determining, especially in the wake of COVID-19 related work-from-home measures, that a reduced footprint was an appropriate and necessary cash conservation measure. Additionally, the CannTrust Group disclaimed or otherwise terminated several other contracts where the CannTrust Group determined that the equipment or services being provided under those contracts were no longer required. The CannTrust Group also engaged with key contract counterparties to renegotiate their existing arrangements and in several cases has been able to obtain new terms that are more appropriate and economical for the CannTrust Group. The CannTrust Group has also continuously reviewed its work force to ensure that the number and skillset of its employees appropriately reflect its short and long term business plan.

Sale and Investment Solicitation Process

On May 8, 2020, the CCAA Court issued an order (the “**SISP 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**”).

The CannTrust Group and the Financial Advisor promptly took steps following the issuance of the SISP Order to implement the SISP and worked diligently to seek a recapitalization or sale transaction that would be beneficial for all of the CannTrust Group’s stakeholders.

Prior to the SISP Order, the CannTrust Group, in consultation with the Financial Advisor, had been engaged in a strategic review that considered, among other strategies, a sale of or investment in, the company and had begun soliciting interest in such a sale or investment.

Over the course of their marketing and solicitation efforts, both before and after the issuance of the SISP Order, the CannTrust Group, the Financial Advisor, and the Monitor were in contact with 101 potentially interested parties that either: (i) approached the CannTrust Group, the Financial Advisor or the Monitor indicating an interest in the SISP opportunity, (ii) were identified as local and international strategic and financial parties (including a number of parties with whom the Financial Advisor was in contact prior to the Initial Order as part of the CannTrust Group's strategic review), or (iii) were reasonably suggested by a stakeholder as a potential bidder that may be interested in the SISP opportunity.

Pursuant to the SISP Order, the CannTrust Group, the Financial Advisor and/or the Monitor (i) prepared a list of 36 potential bidders, (ii) sent each potential bidder a process summary describing the SISP opportunity and inviting expressions of interest ("**Teaser Letter**") along with a Non-Disclosure Agreement ("**NDA**") prior to May 20, 2020, (iii) sent an identical package to 6 new parties that were subsequently identified as potential bidders, (iv) issued a press release concerning the SISP which was disseminated in Canada and major financial centres in the United States, on May 15, 2020, (v) published notice of the SISP in *The Globe and Mail (National Edition)* on May 15, 2020, (vi) posted the SISP notice, the SISP press release, the Teaser Letter and the NDA on the Monitor's Website, (vii) provided a confidential information package to Phase 1 Qualified Bidders (as defined in the SISP) and provided certain further information requested by Phase 1 Qualified Bidders.

All Phase 1 Qualified Bidders wishing to pursue the SISP opportunity were required to deliver a non-binding letter of interest to the Financial Advisor by the Phase 1 Bid Deadline of 5:00 p.m. (Eastern Time) on June 22, 2020.

The CannTrust Group and the Financial Advisor made a preliminary assessment of the Phase 1 Bids received and determined that none of the Phase 1 Bids represented an executable proposal for a recapitalization or sale transaction. In light of the progress being made in the Mediation Process (described below) and the result that the CannTrust Group hoped to achieve, the CannTrust Group decided, in consultation with the Financial Advisor and the Monitor, to prioritize the Mediation Process.

Claims Procedure

On May 8, 2020, the CCAA Court issued an order (the "**Claims Procedure Order**") approving a claims procedure for the identification, quantification, and resolution of certain claims of creditors of the CannTrust Group and its directors and officers (the "**Claims Procedure**").

Excluded from the Claims Procedure were "Excluded Equity Claims" which were defined in the Claims Procedure Order as "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." These claims were generally dealt with in the Mediation Process, as described further below.

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 each term is defined in the Claims Procedure Order).

The CannTrust Group and the Monitor have worked diligently 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). The following is a summary of the Proven Claims and Unresolved Claims asserted against each member of the CannTrust Group in the Claims Procedure as of March 1, 2021:

Claim	**Proven Claims**		**Unresolved Claims**	
	Count	**Amount**	**Count**	**Amount**
CannTrust Holdings Inc.				
Secured	0	N/A	0	N/A
Unsecured	5	$381,089	4	$13,062,318
CannTrust Inc.				
Secured	1	$101,439	2	$1,600,000
Unsecured	168	$1,565,204	16	$62,909,959
Elmcliffe Investments Inc.				
Secured	0	N/A	1	$71,812
Unsecured	1	$400,000	0	N/A
CTI Holdings (Osoyoos) Inc.				
Secured	0	N/A	0	N/A
Unsecured	0	N/A	0	N/A

Pursuant to the Claims Procedure Order, a claimant that had received a notice from the Monitor advising that its Claim had been revised or disallowed (in whole or in part), was required to file a notice of dispute within 14 days. As of March 1, 2021, there were 10 disputed claims in respect of which approximately $280,000 of the total claim amount had been accepted and the amount currently under dispute was approximately $77.2 million.

On February 19, 2021, the Honourable Frank J.C. Newbould Q.C. was appointed as claims officer (the "**Claims Officer**") to adjudicate any disputed claims referred to the Claims Officer by the Monitor pursuant to the Claims Procedure Order. So far, three (3) disputed claims with an aggregate asserted value of approximately $16.1 million have been referred to the Claims Officer for adjudication.

The Actions and the Mediation Process

Prior to the Health Canada Audits, the CannTrust Group was not a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to it.

Following the Health Canada Audits, the Actions were commenced in Canada and the United States alleging that CannTrust Holdings made misrepresentations in its disclosure to investors related to the findings of the Health Canada Audits. The aggregate damages sought exceed $500 million.

The Actions are detailed further below. Prior to commencing the CCAA Proceedings, CannTrust Holdings had expended significant time and resources investigating and preparing to defend the Actions in multiple jurisdictions. With respect to the Actions, the CannTrust Group believed that commencing the CCAA Proceedings was necessary, among other reasons:

(a) to avoid the cost of defending multiple putative class actions and other litigation brought against it in several jurisdictions;

(b) to provide a single forum in which to seek to resolve all of the claims and contingent claims against it;

(c) to place all creditors and contingent creditors on an equal footing and to avoid one creditor or group of creditors potentially gaining a timing advantage over others;

(d) in relation to those claimants with securities claims, to ensure that they would all be able to participate on an equal footing and to avoid potentially inconsistent classes and claims across different Actions; and

(e) to provide a means by which the CannTrust Group could be released from all securities claims and related claims (including indemnity claims) against it so that it could emerge from CCAA proceedings on a restructured basis, free and clear of all such claims.

Canadian Actions

In Canada, five of the eight putative class action lawsuits were commenced in Ontario. The Ontario class actions, which were brought by different plaintiffs' counsel, plead claims, class descriptions and class periods that were not identical but had a great deal of overlap between one another.

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

In addition to the Ontario Class Action, separate class action lawsuits were commenced by Merchant Law Group in British Columbia, Alberta and Quebec (collectively, the "**Merchant Class Actions**"). None of the Merchant Class Actions has been certified. An action was commenced in Ontario against CannTrust Holdings and other defendants by two shareholders, Zola Finance Holdings Ltd. and Igor Gimelshtein, relating to the drop in CannTrust Holding's share price after July 8, 2019 (the "**Zola Action**"). The total amounts claimed in this lawsuit overlap with the Ontario Class Action and have not been quantified. Several other actions have been commenced against CannTrust Holdings by other individual shareholders.

U.S. Actions

In the United States, four of the five putative securities class actions were commenced in the Southern District of New York and alleged violations of the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States). An order consolidating the federal putative class actions was granted on April 16, 2020. Labaton Sucharow LLP was appointed as lead counsel ("**U.S. Class Action Counsel**") in the consolidated action (the "**U.S. Class Action**"). A separate case is pending in California State Court alleging claims pursuant to the State *Securities Act* (the "**California Class Action**"). Neither the U.S. Class Action nor the California Class Action has been certified.

Mediation Process

On May 8, 2020, the CCAA Court issued an order appointing the Honourable Dennis O'Connor, Q.C. as the Court-Appointed Mediator to conduct a mediation process (the "**Mediation Process**") between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the securities claims and related claims between the various parties.

Participation in the Mediation Process was broad and included various parties interested in the Actions including: (i) counsel for the CannTrust Group; (ii) counsel for all interested plaintiffs in the Actions; (iii) counsel for various co-defendants including counsel to two individual former directors of CannTrust Holdings, counsel to a director and shareholder, counsel to KPMG LLP, and counsel to the Canadian underwriters; and (iv) counsel for numerous providers of insurance to the CannTrust Group and its directors and officers. The Monitor participated in the Mediation Process and worked closely with the Court-Appointed Mediator.

The CannTrust Group dedicated significant time and resources to the Mediation Process. It participated in plenary sessions, exchanged mediation briefs with participants, and met on numerous occasions with different parties, all in accordance with the process established by the Court-Appointed Mediator.

From the perspective of the CannTrust Group, the extensive efforts that occurred in the Mediation Process were very successful as they led to the settlement reflected in the RSA and the CCAA Plan, as detailed further below.

Restructuring Support Agreement

On January 19, 2021, the CannTrust Group reached an agreement (the "**RSA**") with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (collectively, the "**Supporting Stakeholders**") regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. The RSA is the product of extensive negotiations facilitated by the Court-Appointed Mediator over many months, not only between CannTrust Holdings and the Supporting Stakeholders, but also taking into account the negotiations with other participants and feedback and directions provided by the Court-Appointed Mediator and the Monitor.

The RSA contemplated that CannTrust would prepare and file a CCAA Plan and then seek approval of it by creditors and the Court, containing the following features, among others:

(a) the Securities Claimant Trust will be established for the benefit of Securities Claimants;

(b) CannTrust Holdings will contribute $50 million to the Securities Claimant Trust;

(c) the CannTrust Group will work with the Supporting Stakeholders to seek settlements with, and contributions to the Securities Claimant Trust from, other co-defendants and insurers;

(d) any claims that the CannTrust Group has for Securities-Related Matters against any co-defendants and insurers who do not settle will be assigned to the Securities Claimant Trust;

(e) the contributions made to the Securities Claimant Trust by CannTrust Holdings and any other settlement parties, together with any proceeds from the prosecution or settlement of any claims assigned to the Securities Claimant Trust, will be distributed pursuant to an allocation and distribution scheme to be developed by the Supporting Stakeholders and reflected in the CCAA Plan, and approved by the court; and

(f) the CannTrust Group and all other parties to the settlement will be released from all Securities Claims and related claims against them, with very limited exceptions.

CCAA Representation Order

On January 29, 2021, the CCAA Court issued an order (the "**CCAA Representation Order**") appointing, subject to certain limited exceptions set out below:

1. the representative plaintiffs in the Ontario Class Action (the "**CCAA Canadian Representatives**") to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

2. the representative plaintiffs in the U.S. Class Action (the "**CCAA U.S. Representatives**" and collectively with the CCAA Canadian Representatives, the "**CCAA Representatives**") to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

3. Ontario Class Action Counsel ("**CCAA Canadian Representative Counsel**") as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims; and

4. Weisz Fell Kour LLP in association with U.S. Class Action Counsel ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims.

The limited number of Securities Claimants that had already engaged counsel and had been participating in the CCAA Proceedings, specifically the plaintiffs in the Zola Action and the Merchant Actions, were excluded from representation by the CCAA Representatives and CCAA Representative Counsel.

Pursuant to a Joinder Agreement dated January 29, 2021, the CCAA Representatives and CCAA Representative Counsel became parties to the RSA in such capacities.

DESCRIPTION OF THE CCAA PLAN

The following is a summary only of certain material terms of the CCAA Plan. Creditors are urged to read the CCAA Plan in its entirety. A copy of the CCAA Plan is attached as Schedule "B" to this Information Statement.

CannTrust Plan Companies

The CCAA Plan is being proposed by CannTrust Holdings, CannTrust Opco and Elmcliffe. Each of these CannTrust Plan Companies had Claims asserted against it in the Claims Procedure that will be compromised pursuant to, and subject to the terms of, the CCAA Plan.

The other member of the CannTrust Group that is an Applicant in the CCAA Proceedings, CTI, did not have any Claims asserted against it in the Claims Procedure that will be compromised. The only Claim asserted against CTI that was not disallowed or withdrawn was an intercompany claim by CannTrust Holdings. The CannTrust Group intends to seek a separate order at the Sanction Hearing terminating the CCAA Proceedings with respect to CTI at the Effective Time.

Purposes of the CCAA Plan

The purposes of the CCAA Plan are to:

(a) complete a restructuring of the CannTrust Group by implementing the Restructuring Steps and filing the Articles of Reorganization of CannTrust Holdings;

(b) provide for the payment or compromise, as applicable, of all General Unsecured Claims;

(c) provide for the settlement of all Securities Claims;

(d) provide for the release of all Released Claims and an injunction in respect of all Securities-Related Section 5.1(2) Claims; and

(e) assist the CannTrust Group to continue to operate as a going concern,

in the expectation that Affected Creditors generally will derive a greater benefit from implementation of the CCAA Plan than they would derive from a bankruptcy or liquidation of the CannTrust Group.

Classification and Treatment of Creditors

In proposing the CCAA Plan, the CannTrust Group considered, among other things, the legal entitlements of stakeholders in the absence of the CCAA Proceedings, their expected economic recovery if no CCAA Plan is approved, the subordination of Equity Claims mandated by the CCAA and the proposed treatment of stakeholders under the CCAA Plan. The CannTrust Group believes that the CCAA Plan fairly balances all stakeholder interests.

Classification of Creditors

The CCAA Plan provides that, in accordance with the Meeting Order, Affected Creditors will be divided into four separate classes for the purposes of considering and voting on the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims against CannTrust Opco (each, a "**General Unsecured Claim (Opco)**");

(b) a class of Creditors holding General Unsecured Claims against Elmcliffe (each, a "**General Unsecured Claim (Elmcliffe)**");

(c) a class of Creditors holding General Unsecured Claims against CannTrust Holdings (each a "**General Unsecured Claim (CannTrust Holdings)**"); and

(d) a class of Creditors holding Securities Claims.

Treatment of Creditors and Claims

General Unsecured Claims – Generally

At the Effective Time, all General Unsecured Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and General Unsecured Creditors with Proven Claims will have the right to receive distributions pursuant to the CCAA Plan.

GUC Distribution Pool

At or before the Effective Time, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount of the GUC Distribution Pool, which will be $1.2 million less the portion thereof to be included in the Unresolved General Unsecured Claims Reserve which amount will be set aside or delivered to the Monitor pursuant to Section 5.2 of the CCAA Plan, from which cash distributions will be made to General Unsecured Creditors (Opco) with Proven Claims on and subject to the terms of Article 6 of the CCAA Plan.

General Unsecured Claims (Opco)

On the Initial Distribution Date each General Unsecured Creditor of CannTrust Opco with:

(a) Proven Claims that are General Unsecured Claims (Opco) not exceeding in aggregate $2,500 (the "**Election Amount**"); or

(b) Proven Claims that are General Unsecured Claims (Opco) exceeding the aggregate of the Election Amount but which General Unsecured Creditor has duly filed an Election Notice with the Monitor,

will receive, in full satisfaction of such Proven Claims (in each case, a "**Convenience Creditor**"), payment in an amount equal to the lesser of the Election Amount and the actual amount of such Proven Claims.

Each General Unsecured Creditor of CannTrust Opco with Proven Claims that are General Unsecured Claims (Opco) and that exceed in aggregate the Election Amount, and which General Unsecured Creditor has not duly filed an Election Notice, will receive in full satisfaction of such Proven Claims, the lesser of:

(a) such General Unsecured Creditor's *pro rata* share of the balance of the GUC Distribution Pool after deducting (i) the amount held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are Unresolved General Unsecured Claims, and (ii) the amounts paid to Convenience Creditors as described above; and

(b) 17% of the amount of such General Unsecured Creditor's Proven Claims that are General Unsecured Claims (Opco).

General Unsecured Creditors (Holdings)

Each General Unsecured Creditor of CannTrust Holdings with Proven Claims that are General Unsecured Claims (CannTrust Holdings) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims.

General Unsecured Creditors (Elmcliffe)

Each General Unsecured Creditor of Elmcliffe with Proven Claims that are General Unsecured Claims (Elmcliffe) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor.

Securities Claimants

At the Effective Time, all Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and Securities Claimants with Proven Claims will have the right to receive distributions from the Securities Claimant Trust in accordance with the Allocation and Distribution Scheme.

On or before the Effective Time, CannTrust Holdings will:

(a) pay or cause to be paid $50 million (its Cash Contribution) to the Securities Claimant Trust; and

(b) assign the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims are for loss or damage up to the date of the CCAA Sanction Order and arise from or relate to the Securities-Related Matters (the "**Assigned Claims**") to the Securities Claimant Trust.

Subject to the other terms of the CCAA Plan (including the releases and injunctions provided by Article 7), the CCAA Sanction Order and any other Orders of the CCAA Court, the Securities-Related Claims of Securities Claimants against Non-Settlement Parties will not be compromised and Securities Claimants may continue to pursue such Securities-Related Claims against Non-Settlement Parties after the Plan Implementation Date.

Securities-Related Indemnity Claims

Any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or Securities-Related Claim asserted against such Person or arising from or in connection with any other claim asserted by a Co-Defendant against such Person (each, a "**Securities-Related Indemnity Claim**") will be fully, finally, irrevocably and forever discharged pursuant to the CCAA Plan as of the Effective Time. Holders of Securities-Related Indemnity Claims will not receive a distribution or other consideration under the CCAA Plan and will not be entitled to vote on the CCAA Plan in respect of their Securities-Related Indemnity Claims.

Securities-Related Section 5.1(2) Claims

A Securities-Related Claim against a Director who is an Original Settlement Party and which claim is not permitted by section 5.1(2) of the CCAA to be compromised (a "**Securities-Related Section 5.1(2) Claim**") will be fully, finally, irrevocably and forever enjoined as against the applicable Directors from the Effective Time. Each Securities-Related Section 5.1(2) Claim will be channelled to and limited to recovery solely from the Securities Claimant Trust in accordance with the CCAA Plan and the Definitive Documents.

Equity Claims

At the Effective Time, the CCAA Plan will be binding on all holders of Equity Claims. Except as otherwise expressly provided in the CCAA Plan, the Meeting Order and the CCAA Sanction Order (such as with respect to Securities Claims, Securities-Related Indemnities Claims and Securities-Related Section 5.1(2) Claims, as described above):

(a) holders of Equity Claims will not receive a distribution or other consideration under the CCAA Plan and will not be entitled to vote on the CCAA Plan in respect of their Equity Claims; and

(b) all Equity Claims will be fully, finally, irrevocably and forever released, discharged and barred as of the Effective Time without any compensation of any kind whatsoever.

Insured Claims

From the Effective Time, any Person having an Insured Claim will be limited to recovery in respect of the Insured Claim solely from the proceeds of the applicable insurance policies, and Persons with any Insured Claims will have no right to make any claim or seek any recoveries from any Person, other than enforcing that Person's rights to be paid by the applicable insurer(s) from the proceeds of the insurance policies.

Unresolved General Unsecured Claims

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

The Unresolved General Unsecured Claims Reserve will be set aside by the CannTrust Plan Companies (pursuant to arrangements satisfactory to the Monitor) or held by the Monitor, in trust, until the final determination of all Unresolved General Unsecured Claims in accordance with the Claims Procedure Order.

To the extent that an Unresolved General Unsecured Claim becomes a Proven Claim, the CannTrust Plan Companies, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the CannTrust Plan Companies, will distribute to the holder thereof an amount from the Unresolved General Unsecured Claims Reserve equal to the amount that such Creditor would have been entitled to receive in respect of its Proven Claim on the Initial Distribution Date had such Unresolved General Unsecured Claim been a Proven Claim on the Initial Distribution Date.

After all Unresolved General Unsecured Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to General Unsecured Claims that are Proven Claims, the amounts remaining in the GUC Distribution Pool and the Unresolved General Unsecured Claims Reserve will no longer be required to be set aside by the CannTrust Group and, if held by the Monitor, will be returned to the CannTrust Group.

Unaffected Claims

Subject to the express provisions of the CCAA Plan, the CCAA Plan does not compromise the following (collectively, the "**Unaffected Claims**"):

(a) Claims secured by the CCAA Charges;

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

(c) CCAA Priority Payment Claims;

(d) Claims of a member of the CannTrust Group against another member of the CannTrust Group;

(e) any Claim for or related to the DIP and Exit Loan;

(f) Claims of Directors (but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties) and employees that are owing to them in their capacity as such for or in connection with accrued salary, accrued wages, accrued bonuses, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay and which are not related to the cessation of employment;

(g) subject to and solely as provided in Section 3.6 of the CCAA Plan, that portion of a Claim that is not a Securities Claim or Securities-Related Indemnity Claim arising from a cause of action for which the applicable the CannTrust Plan Company is covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the CannTrust Plan Company after the Effective Time in respect of such Claim ("**Insured Claims**");

(h) Claims that are not Securities-Related Indemnity Claims by any Director (other than a Director named as a defendant in one or more of the Actions and who is not an Original Settlement Party) under any directors' or officers' indemnity policy or agreement with a CannTrust Plan Company; and

(i) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the CannTrust Group.

The CCAA Plan provides that the CannTrust Plan Companies will make the following payments by wire transfer of immediately available funds in full satisfaction and discharge of certain Unaffected Claims:

(a) payment to each holder of a CCAA Priority Payment Claim that is due and payable but for the Initial Order, of all amounts required to satisfy such CCAA Priority Payment Claim in full;

(b) payment in full of all claims secured by the CCAA Charges, other than the DIP and Exit Loan; and

(c) payment of any other amounts required to be paid in accordance with the CCAA or the CCAA Plan at or before the Effective Time.

Other Unaffected Claims will be satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company. Nothing in the CCAA Plan will affect any CannTrust Plan Company's rights and defences, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

Unaffected Creditors, which for greater certainty are Creditors with Unaffected Claims, will not be entitled to vote on the CCAA Plan.

Distribution Mechanics

The CannTrust Plan Companies, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the CannTrust Plan Companies, will distribute to each General Unsecured Creditor with a Proven Claim the amount to which it is entitled under the CCAA Plan by way of (in the sole discretion of the CannTrust Plan Companies or Monitor, as applicable):

(a) cheque sent by prepaid ordinary mail to the address on file with the CannTrust Plan Companies on the Distribution Record Date; or

(b) wire transfer of immediately available funds to an account designated in writing by the General Unsecured Creditor to the CannTrust Plan Companies and the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount).

No distribution will be made for an amount less than $10. The CannTrust Plan Companies' liability to a General Unsecured Creditor for any distribution in an amount less than $10 will be forever discharged and extinguished.

Distributions to General Unsecured Creditors with Proven Claims will be paid in Canadian dollars, converted as at the Filing Date in accordance with the Claims Procedure Order.

If any distribution to a General Unsecured Creditor is returned as undeliverable (an "**Undeliverable Distribution**"), neither the CannTrust Plan Companies nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the CannTrust Plan Companies and Monitor are notified in writing by such Creditor of such Creditor's current address at which time all such distributions will be made to such Creditor. The obligations of the CannTrust Plan Companies and Monitor to an Affected Creditor with an Undeliverable Distribution will expire on the first Business Day that is six (6) months following the applicable Distribution Date for the Undeliverable Distribution, after which date any entitlement with respect to any Undeliverable Distributions will be discharged without any compensation. Neither the CannTrust Plan Companies nor the Monitor will be required to attempt to locate any Creditor or other Person with respect to an Undeliverable Distribution.

If any cheque in payment of a distribution to a General Unsecured Creditor is not cashed within 6 months after the date of the applicable Distribution Date (an "**Uncashed Distribution**"): (i) such cheque may be cancelled by the CannTrust Plan Companies or the Monitor, after which date any entitlement with respect to such distributions will be discharged and barred; and (ii) the amount otherwise payable pursuant to such cancelled cheque will be released to the CannTrust Plan Companies. Neither the CannTrust Plan Companies nor the Monitor will be required to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

Provisions Related to the Settlement and Continuation of the Actions

Additional Settlement Parties

By written agreement between CannTrust Holdings and CCAA Representative Counsel (such agreement not to be unreasonably withheld) entered into prior to the Meetings, a Co-Defendant or Insurer may be designated as an Additional Settlement Party for the purposes of the CCAA Plan if such proposed Additional Settlement Party has signed a restructuring support agreement, in form and content satisfactory to the RSA Parties, acting reasonably, pursuant to which such proposed Additional Settlement Party has agreed, among other things:

(a) to make a Cash Contribution to the Securities Claimant Trust on the Plan Implementation Date in an amount acceptable to CCAA Representative Counsel;

(b) to assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date; and

(c) to support the CCAA Plan in a manner consistent with the RSA.

Subject to Section 7.1(4) of the CCAA Plan, any Co-Defendant or Insurer designated as an Additional Settlement Party pursuant to Section 7.1(1) of the CCAA Plan will be treated as a Released Party pursuant to the CCAA Plan and the CCAA Sanction Order.

After a Co-Defendant or Insurer is designated as an Additional Settlement Party pursuant to Section 7.1(1) of the CCAA Plan, the CannTrust Plan Companies will amend the CCAA Plan by adding such Co-Defendant or Insurer to the definition of Additional Settlement Party and cause the amendment to be filed and posted in accordance with the CCAA Plan.

If a Co-Defendant or Insurer designated as an Additional Settlement Party has not paid its Cash Contribution to the Securities Claimant Trust and/or has not assigned its Assigned Claims (if any) to the Securities Claimant Trust at the Effective Time, such Co-Defendant or Insurer shall not be treated as a Released Party pursuant to the CCAA Plan and the CCAA Sanction Order until such Co-Defendant or Insurer has paid its Cash Contribution to the Securities Claimant Trust and has assigned its Assigned Claims (if any) to the Securities Claimant Trust.

Canadian Actions

The CCAA Plan contemplates that CCAA Representative Counsel will cause the Actions in Canada to be dismissed against the Settlement Parties without costs after implementation of the CCAA Plan. The Actions in Canada may be continued against the Non-Settling Defendants.

U.S. Actions

After the implementation of the CCAA Plan, the CannTrust Group and CCAA U.S. Representative Counsel will jointly seek entry of the U.S. Approval Order in the U.S. Class Action which will (i) approve a settlement and final judgment in the U.S. Class Action; (ii) contain a bar order in customary form containing such judgment reduction provisions as may be required by the Private Securities Litigation Reform Act; and (iii) approving customary broad releases by the putative class of any claims that were or could have been asserted in the Actions (including the California Action). The U.S. Approval Order will recite that it is without prejudice to, and does not limit, the applicability of the CCAA Sanction Order. Notice to the putative class in the U.S. Class Action of the settlement will be given in conjunction with any notice required in connection with the CCAA Plan.

The U.S. Class Action Lead Plaintiffs will request that: (i) the U.S. Class Action be stayed against the Non-Settlement Parties to enable the claims against them to be litigated in the Cross-Border Action (as set out below); and (ii) the U.S. Class Action be dismissed once the Cross-Border Action is filed. The California Action will be voluntarily dismissed with prejudice.

Cross-Border Action

The CCAA Representatives will seek an order from the Ontario Court appointing the law firm of Weisz Fell Kour LLP as the Canadian representative for plaintiffs in the U.S. Class Action and allowing U.S. Class Action Counsel, in conjunction with U.S. Class Action Lead Plaintiffs, to, at their option:

(a) commence an action (with Weisz Fell Kour LLP as counsel) in the Ontario Court against any Non-Settlement Parties; or

(b) establish a subclass in the Ontario Class Action (with Weisz Fell Kour LLP as counsel),

with a class defined in the same way as the class is defined in the U.S. Class Action and subject to U.S. law in respect of the causes of action (the "**Cross-Border Action**").

Litigation Cooperation of CannTrust Holdings

CannTrust Holdings will enter into the Cooperation Agreement and consent to various orders set out in the CCAA Plan to facilitate the prosecution or settlement of the Ontario Class Action and the Cross-Border Action against the Non-Settling Defendants.

Releases and Injunctions

Released Claims

At the Effective Time, the following parties will be fully, finally, irrevocably and forever released and discharged from all Released Claims:

(a) the Original Settlement Parties, the other subsidiaries of CannTrust Holdings in which CannTrust Holdings owns directly or indirectly not less than 50% of the common equity, the Monitor, and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties and the Representatives of each such excluded Director (the "**Released CannTrust Parties**"); and

(b) the Additional Settlement Parties and their respective Representatives (the "**Released Additional Settlement Parties**").

The Released Claims include:

(a) the Released CannTrust Claims, which include: (A) any and all Claims and (B) any and all other demands, claims (including claims for contribution or indemnity and D&O Claims (as defined in the Claims Procedure Order)), 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Released CannTrust Party) that any Affected Creditor or other Person has or may be entitled to assert against any of the Released CannTrust Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under contract or statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

i. any Claim, including any Claim that is enumerated in section 19(2) of the CCAA and that is compromised under the CCAA Plan in accordance with such section as a consequence of the applicable creditor's vote in favour of or other form of consent to the CCAA Plan;

ii. any of the assets, obligations, business or affairs of a member of the CannTrust Group; or

iii. the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it); and

(b) the Released Securities-Related Claims, which include: (A) any and all Securities Claims and Securities-Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other 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 (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Settlement Party) that any Securities Claimant or Co-Defendant has or may be entitled to assert against any of the Released Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under contract or statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

i. any of the Actions;

ii. any of the Securities Claims, Securities-Related Claims, Securities-Related Indemnity Claims or Securities-Related Matters; or

iii. the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it).

Non-Released Claims

The CCAA Plan does not release the Non-Released CannTrust Claims, which include:

(a) the right to enforce against the applicable CannTrust Plan Company its obligations under the CCAA Plan;

(b) the right to enforce the Unaffected Claims against the applicable CannTrust Plan Company;

(c) solely as against a Director in his or her capacity as such, any claim that is not permitted by section 5.1(2) of the CCAA to be compromised;

(d) any claim against a CannTrust Plan Company for the purchase or supply of goods or services delivered after the Filing Date; and

(e) the right to enforce against the applicable CannTrust Plan Company any agreement in force at the Effective Time that was entered into by such CannTrust Plan Company between the Filing Date and the Plan Implementation Date, or that was entered into prior to the Filing Date and not disclaimed during the CCAA Proceedings pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA.

Injunctions

From and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined:

(a) with respect to any and all Released Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties;

(b) with respect to any and all Released Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;

(c) with respect to any and all Released Claims other than Released Securities-Related Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties;

(d) with respect to any and all Released Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; and

(e) with respect to any and all Released Claims from taking any actions to interfere with the implementation or consummation of the CCAA Plan.

All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

From and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined:

(a) with respect to any and all Securities-Related Section 5.1(2) Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Directors who are Original Settlement Parties;

(b) with respect to any and all Securities-Related Section 5.1(2) Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Directors who are Original Settlement Parties or their property;

(c) with respect to any and all Securities-Related Section 5.1(2) Claims other than Released Securities-Related Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Directors who are Original Settlement Parties; and

(d) with respect to any and all Securities-Related Section 5.1(2) Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Directors who are Original Settlement Parties.

Modification of the CCAA Plan

The CannTrust Plan Companies may amend, restate, modify and/or supplement the CCAA Plan by written instrument at any time and from time to time before and during the Meetings in accordance with the notice and other terms of the CCAA Plan and the Meeting Order.

After the Meetings and before the Plan Implementation Date, the CannTrust Plan Companies may amend, restate, modify and/or supplement the CCAA Plan, as approved, provided that such amendment, restatement, modification and/or supplement:

(a) is filed with the CCAA Court;

(b) is posted on the website maintained by the Monitor and notice thereof is provided to the Service List maintained by the Monitor for the CCAA Proceedings; and

(c) either:

i. does not materially decrease the anticipated recovery of Affected Creditors under the CCAA Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor, and does not amend the Plan Implementation Conditions; or

ii. concerns a matter which is of an administrative nature required to better give effect to the implementation of the CCAA Plan, or is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors as determined by the Monitor.

THE MEETINGS

The following is a summary only of certain material terms of the Meeting Order. Creditors are urged to read the Meeting Order in its entirety. A copy of the Meeting Order is attached as Schedule "C" to this Information Statement.

Meeting Order

On March 19, 2021, the Honourable Mr. Justice Hainey of the CCAA Court issued the Meeting Order directing the CannTrust Plan Companies to call and conduct meetings of their creditors to vote on the CCAA Plan (the "**Meetings**"). The Meetings will be held by videoconference at the times set out below.

Classification of Creditors

The Meeting Order approved the following four classes of Affected Creditors for the purposes of considering and voting on the resolution to approve the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims (CannTrust Holdings) (the "**CannTrust Holdings GUC Class**");

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe) (the "**Elmcliffe GUC Class**");

(c) a class of Creditors holding General Unsecured Claims (Opco) (the "**Opco GUC Class**" and collectively with the CannTrust Holdings GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**"); and

(d) a class of Creditors holding Securities Claims (the "**Securities Claimant Class**").

The Meetings

Pursuant to the Meeting Order, the following Meetings have been called to consider and vote on the CCAA Plan:

(a) a meeting of the CannTrust Holdings GUC Class (the "**CannTrust Holdings GUC Meeting**") which is scheduled for April 30, 2021 at 11:00 a.m. EST;

(b) a meeting of the Elmcliffe GUC Class (the "**Elmcliffe GUC Meeting**"), which is scheduled for April 30, 2021 at 11:30 a.m. EST;

(c) a meeting of the Opco GUC Class (the "**Opco GUC Meeting**" and collectively with the CannTrust Holdings GUC Meeting and the Elmcliffe GUC Meeting, the "**GUC Meetings**"), which is scheduled for April 30, 2021 at 12:00 p.m. EST; and

(d) a meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**"), which is scheduled for April 30, 2021 at 2:00 p.m. EST.

The Monitor will provide the videoconference details for the applicable Meeting to each Affected Creditor that is entitled to attend that Meeting that notifies the Monitor of its intention to attend that Meeting or their proxies.

Proof of Securities Claims for Voting Purposes

The Meeting Order provides a process for Securities Claims to be proven solely for the purposes of voting on the CCAA Plan at the Securities Claimant Meeting. The acceptance of a Securities Claim (in whole or in part) by the Monitor will not be binding for the purposes of the CCAA Plan or the Allocation and Distribution Scheme or otherwise constitute an admission of any fact, thing, or quantum or status of any Securities Claim. Further information with respect to this process is provided in the Meeting Order and the Notice to Securities Claimants that are each posted on the Monitor's Website.

Procedure for Meetings

Each Meeting will be held and conducted in accordance with the provisions of the Meeting Order, notwithstanding the provisions of any other agreement or instrument.

Participants

A representative of the Monitor will act as the chair (the "**Chair**") of each Meeting and decide all matters relating to the conduct of the Meeting. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at each Meeting. A Person designated by the Monitor will act as secretary at each Meeting.

The only Persons entitled to attend a Meeting are (i) the Monitor and its counsel; (ii) those Persons, including the holders of Proxies, entitled to vote at a Meeting pursuant to this Order and their legal counsel and advisors; (iii) the Applicants' officers, legal counsel and advisors; (iv) the CRO; and (v) the Scrutineers and Secretary. Any other Person may be admitted to a Meeting on invitation of the Chair.

Quorum

The quorum for each Meeting will be as follows:

(a) for the Opco GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Opco);

(b) for the Elmcliffe GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Elmcliffe);

(c) for the CannTrust Holdings GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Un-secured Claim (CannTrust Holdings); and

(d) for the Securities Claimant Meeting, the attendance at such Meeting personally or by proxy of one (1) Securities Claimant with a Voting Claim that is a Securities Claim.

Adjournments

The Chair will be entitled to adjourn and further adjourn a Meeting at a Meeting or any adjourned Meeting provided that any such adjournment or adjournments must be for a period of not more than 30 days in total and, in the event of any such adjournment, the CannTrust Plan Companies and the Monitor will not be required to deliver any notice of adjournment other than posting notice on the Monitor's

Website and notifying the Service List of the adjournment. Any proxy validly delivered in connection with the Meeting will be accepted as a proxy in respect of any adjourned Meeting.

Voting at the Meetings

Resolutions

At each Meeting, the Chair will direct a vote on a resolution to approve the CCAA Plan (and any amendments made thereto in accordance with the CCAA Plan) and may direct a vote with respect to any other resolutions as the Chair may consider appropriate. The form of resolution to approve the CCAA Plan is attached as **Schedule "A"** hereto.

Entitlement to Vote

The following Creditors are entitled to vote at the applicable Meeting:

(a) in respect of the Opco GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Opco) that are Proven Claims or Unresolved General Unsecured Claims or their proxies;

(b) in respect of the Elmcliffe GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Elmcliffe) that are Proven Claims or Unresolved General Unsecured Claims or their proxies;

(c) in respect of the CannTrust Holdings GUC Meeting: only General Unsecured Creditors holding General Unsecured Claims (CannTrust Holdings) that are Proven Claims or Unresolved General Unsecured Claims or their proxies; and

(d) in respect of the Securities Claimant Meeting, only the CCAA Representatives and Opt Out Securities Claimants holding Securities Claims that have been accepted for voting purposes pursuant to the Meeting Order or Unresolved Securities Voting Claims or their proxies.

The voting entitlement on the CCAA Plan will be calculated as follows (collectively, the "**Voting Claims**"):

(a) for each of the Opco GUC Class, the Elmcliffe GUC Class and the CannTrust Holdings GUC Class, each General Unsecured Creditor as of the Record Date with a General Unsecured Claim that is a Proven Claim is entitled to one vote in respect of such General Unsecured Claim, which vote shall have a value equal to the dollar value of such General Unsecured Creditor's Proven Claim determined in accordance with the Claims Procedure Order, provided that in the case of a Proven Claim that includes an Insured Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Claim; and

(b) for the Securities Claimant Class:

i. the CCAA Representatives are entitled to the number of votes equal to the number of the Represented Securities Claimants determined in accordance with the Meeting Order, which votes shall have an aggregate value equal to the value of the Securities Claims held by the Represented Securities Claimants determined in accordance with the Meeting Order;

ii. each Opt Out Securities Claimant with an Opt Out Securities Voting Claim that is a Proven Claim is entitled to one vote in respect of such Opt Out Securities Voting Claim which vote shall have a value equal to the Opt Out Securities Claimant's Proven Claim determined in accordance with the Meeting Order.

Majorities

The vote on the resolution to approve the CCAA Plan at the GUC Meetings shall be decided by approval of the CCAA Plan by a majority in number of the General Unsecured Creditors of each of the GUC Classes holding Voting Claims representing at least two-thirds in value of the Voting Claims in such class that are in attendance personally or by proxy and voting at each GUC Meeting.

Subject to further order of the CCAA Court, the vote on the resolution to approve the CCAA Plan at the Securities Claimant Meeting shall be decided by approval of the CCAA Plan by a majority in number of the Securities Claimants holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Securities Claimant Meeting.

Voting by Proxy

Any Affected Creditor that is entitled to vote at a Meeting and that wishes to appoint a nominee to vote on its behalf must: (i) duly complete and sign an Opco GUC Election Notice and Proxy, Elmcliffe GUC Proxy, CannTrust Holdings GUC Proxy or Opt Out Securities Claimant Proxy, as applicable; and (ii) send such Proxy to the Monitor by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor so that it is received by no later than 5:00 p.m. (Toronto Time) on April 27, 2021 or three (3) Business Days prior to any adjournment of the relevant Meeting. Any failure to file a Proxy will not affect an Affected Creditor's right to any distribution under the CCAA Plan.

A Creditor with a Voting Claim who is not an individual may only attend and vote at a Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

For the purposes of tabulating the votes cast on any matter voted upon at a Meeting, the Chair is entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in accordance with the Meeting Order, without independent investigation. If a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the CCAA Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the CCAA Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the applicable Meeting.

Unresolved Claims

General Unsecured Creditors with Unresolved General Unsecured Claims (or their proxies) may attend and vote at the applicable GUC Meeting and will have their voting intentions with respect to the General Unsecured Claims separately recorded by the Monitor and reported to the CCAA Court.

CCAA Representatives and Opt Out Securities Claimants with Unresolved Securities Voting Claims (or their proxies) may attend and vote at the Securities Claimant Meeting and will have their voting intentions with respect to the Unresolved Securities Voting Claims separately recorded by the Monitor and reported to the CCAA Court.

Transfer and Assignment of Claims

Subject to any restrictions contained in Applicable Laws or any contractual arrangements with the Applicants, an Affected Creditor may transfer or assign the whole of its Affected Claim prior to the applicable Meeting.

If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with the Applicants, an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Meeting unless (a) the assigned Affected Claim is a Voting Claim (as defined below), Unresolved General Unsecured Claim or Unresolved Securities Voting Claim, or a combination thereof; and (b) satisfactory notice of and proof of transfer or assignment has been delivered to the Applicants and the Monitor in accordance with the Claims Procedure Order, where applicable, no later than the Record Date.

PLAN SANCTION

The CCAA Plan has been filed with the CCAA Court pursuant to the CCAA and the Meeting Order. The CCAA requires that the CCAA Plan be sanctioned by the CCAA Court following approval by the Affected Creditors at the Meetings in accordance with the Meeting Order. The hearing in respect of the Sanction Order (the "**Sanction Hearing**") is scheduled to take place at ● a.m. on May 14, 2021 by videoconference.

Any person who wishes to oppose the entry of the Sanction Order will be required to serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least four (4) Business Days before the date set for the Sanction Hearing, or such shorter time as the CCAA Court, by order, may allow.

In the event that the Sanction Hearing is adjourned, only those Persons who are listed on the Service List will be served with notice of the adjourned date of the Sanction Hearing.

The CCAA Plan states that the Sanction Order will, among other things:

(a) declare that (i) the CCAA Plan has been approved by the required majorities of Affected Creditors in accordance with the Meeting Order and the CCAA; (ii) each member of the CannTrust Group has complied with the provisions of the CCAA and the Orders of the CCAA Court made in the CCAA Proceedings in all respects; (ii) neither the CannTrust Group nor Monitor has done or purported to do anything that is not authorized by the CCAA; and (iii) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby are sanctioned and approved;

(c) declare that the articles of CannTrust Holdings will be amended as set out in the Articles of Reorganization as of the Effective Time;

(d) declare that all warrants, options and agreements to purchase Existing Shares are of no further force or effect as of the Effective Time;

(e) approve and authorize the Restructuring Steps;

(f) designate the individuals to become directors of CannTrust Holdings at the Effective Time;

(g) order that the Trust Declaration and the Allocation and Distribution Scheme are each approved and deemed effective as of the Effective Time, and that the Trustees are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the transactions contemplated by the CCAA Plan, the Trust Declaration and the Allocation and Distribution Scheme in accordance with and subject to their respective terms and conditions;

(h) order that, as of the Effective Time, any and all Affected Claims are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged and barred, and the ability of any Person to proceed against any of the CannTrust Plan Companies in respect of or relating to any Affected Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, excepting only any proceeding to enforce the obligation of the CannTrust Plan Companies to make payments and distributions in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan and the CCAA Sanction Order;

(i) order that, as of the Effective Time, any and all Released Claims are and are deemed to be fully, finally, irrevocably and forever released, discharged and barred, and the ability of any Person to proceed against any of the Released Parties in respect of or relating to any Released Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Released Claims are permanently stayed;

(j) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined: (i) with respect to any and all Released Claims from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) with respect to any and all Released Claims from enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) with respect to any and all Released Claims other than Securities Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (iv) with respect to any and all Released Claims that are Securities Claims held by Securities Claimants or the Securities Claimant Trust from commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties that is permitted to proceed notwithstanding the CCAA Sanction Order; and (v) with respect to any and all Released Claims from creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property;

(k) order that each Person having a Securities-Related Section 5.1(2) Claim will be limited to recovering solely from the Securities Claimant Trust in respect of such Securities-Related Section 5.1(2) Claim in accordance with the CCAA Plan and Definitive Documents, and such Person will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Securities-Related Section 5.1(2) Claim;

(l) order that any Person that did not file a proof of claim in respect of a Claim by the applicable bar date in accordance with the Claims Procedure Order, and any Person with a General Unsecured Claim that is not a Proven Claim or Unresolved General Unsecured Claim at the Effective Time, is fully, finally, irrevocably and forever barred, estopped, stayed and enjoined from making any such Claim and is not be entitled to any consideration under the CCAA Plan, and such Person's Claim is fully, finally, irrevocably and forever barred and extinguished;

(m) authorize the CannTrust Plan Companies and the Monitor to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan in accordance with and subject to its terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan;

(n) declare that each of the CCAA Charges will be terminated, discharged, expunged and released at the applicable time set out in the CCAA Sanction Order;

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

(p) order that, as of the Effective Time, (i) all of the rights and obligations of CannTrust Holdings and each Settlement Party to and in respect of the Assigned Claims shall be assigned to and assumed by the Securities Claimant Trust and such assignment is valid and binding upon the applicable Non-Settlement Parties in respect of such Assigned

Claims notwithstanding any restriction or prohibition contained in any insurance policy, underwriting agreement, audit engagement letter or other agreement relating to the assignment thereof (an "**Assigned Claims Related Agreement**"), including any provision requiring the consent of any party to an assignment, (ii) the counterparties to the Assigned Claims Related Agreements are prohibited from exercising any rights or remedies under the Assigned Claims Related Agreements and shall be forever barred, estopped, stayed and enjoined from taking such action, by reason of:

i) any restriction, condition or prohibition contained in any such Assigned Claim Related Agreement relating to the assignment thereof;

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

iii) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA;

iv) any compromises or arrangements effected pursuant to the CCAA Plan or any action taken or transaction effected pursuant to the CCAA Plan (including the compromise or release of any Affected Claim or Released Claim arising under such Assigned Claim Related Agreement);

v) any change in the control of the CannTrust Group arising from the implementation of the CCAA Plan;

and (iii) such counterparties will be deemed to waive any defaults relating thereto.

(q) declare that all contracts, leases and other agreements and arrangements to which any member of the CannTrust Group or 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**") is a party, whether written or oral (each, including any and all amendments or supplements thereto, an "**Existing Agreement**") that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time (except for all Affected Claims and Released Claims thereunder that have been compromised and released), and no Person who is a party to any such Existing Agreement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Existing Agreement and no automatic termination will have any validity or effect, as against any member of the CannTrust Group, any Affected Party or any Released Party that is a party to such Existing Agreement, by reason of (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of any member of the CannTrust Group); (ii) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA; (iii) any compromises or arrangements effected pursuant to the CCAA Plan (including the compromise or release of any Claim arising under such Existing Agreement) or any action taken or transaction effected pursuant to the CCAA Plan; or (iv) any change in the control of the CannTrust Group or the Affected Parties arising from the implementation of the CCAA Plan;

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

(s) approve the conduct of the CRO and the Directors of each member of the CannTrust Group during the CCAA Proceedings;

(t) approve all conduct of the Monitor and the Monitor's Representatives in relation to the CannTrust Group and bar all claims against them arising from or relating to the services provided to the CannTrust Group up to and including the date of the CCAA Sanction Order; and

(u) declare that the CannTrust Group and the Monitor may apply to the CCAA Court for advice and direction in respect of any matters arising from or in relation to the CCAA Plan.

IMPLEMENTATION OF THE CCAA PLAN

The following is a summary only of certain material terms of the CCAA Plan. Creditors are urged to read the CCAA Plan in its entirety. A copy of the CCAA Plan is attached as Schedule "B" to this Information Statement.

Conditions to Plan Implementation

The implementation of the CCAA Plan is conditional on the satisfaction or waiver (except (a) and (b), below, which may not be waived) of the following conditions:

(a) the CCAA Plan will have been approved by the Affected Creditors;

(b) the CCAA Sanction Order will have been issued by the CCAA Court, consistent with the terms of Section 8.2 of the CCAA Plan, with such amendments as may be acceptable to the CannTrust Plan Companies;

(c) the CCAA Termination Order (CTI) will have been issued by the CCAA Court;

(d) the U.S. Approval Order will have been entered in the U.S. Class Action;

(e) all applicable appeal periods in respect of the CCAA Sanction Order and the U.S. Approval Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellate tribunal;

(f) the Trust Declaration will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(g) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust and the Original Settlement Parties will have assigned their Assigned Claims, if any, to the Securities Claimant Trust;

(h) the terms of the Settlement-Related Agreements and any other Definitive Documents not otherwise expressly addressed in Section 9.1 of the CCAA Plan will have been settled in form and substance satisfactory to each of the RSA Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document);

(i) each of the conditions precedent to the closing of the Transaction provided in the RSA will have been satisfied or waived in accordance with the terms of the RSA;

(j) the matters contemplated in the RSA Supplemental Letter Agreement to be completed before or as a condition to the implementation of the CCAA Plan have been satisfied or waived in accordance with the terms of the RSA Supplemental Letter Agreement;

(k) arrangements satisfactory to the DIP and Exit Lender and the CannTrust Group in respect of the terms governing the DIP and Exit Loan from and after the Plan Implementation Date will have become effective, subject only to the occurrence of the Plan Implementation Date;

(l) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the CannTrust Plan Companies acting reasonably, are necessary to implement the provisions of the CCAA Plan, the CCAA Sanction Order and the CCAA Termination Order (CTI);

(m) no action or proceeding will be pending by any third party to enjoin or prohibit the implementation of the CCAA Plan; and

(n) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the CannTrust Plan Companies, in form and substance satisfactory to the CannTrust Plan Companies.

Articles of Reorganization

Upon satisfaction or waiver of each of the Plan Implementation Conditions in accordance with the CCAA Plan, CannTrust Holdings will file its Articles of Reorganization to effect, among other things, a change of the name of CannTrust Holdings, the form of which the CannTrust Group will seek approval of in the CCAA Sanction Order.

Restructuring Steps

At the Effective Time, the following will occur in the order set out below, unless otherwise specified (collectively, the "**Restructuring Steps**"):

(a) the Articles of Reorganization of CannTrust Holdings will become effective;

(b) to the extent not already paid, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount required to satisfy any CCAA Priority Payment Claims that are due and payable but for the stay of proceedings in the Initial Order and all claims secured by the CCAA Charges (other than the DIP and Exit Loan), which claims will be paid by the CannTrust Plan Companies or Monitor, for and on behalf of the CannTrust Plan Companies, to the respective holders of such claims from such funds within five (5) Business Days after the Plan Implementation Date (unless otherwise agreed with a claim holder);

(c) the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the GUC Distribution Pool (including the amount thereof to be held in the Unresolved General Unsecured Claims Reserve) in accordance with Article 5;

(d) the CannTrust Plan Companies will pay any other amounts that they are required to pay on or before the Effective Time in accordance with the RSA, the CCAA Plan or other applicable agreement;

(e) all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged and barred in accordance with Section 3.8 and Article 7, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.8;

(f) all Securities-Related Section 5.1(2) Claims will be fully, finally, irrevocably and forever enjoined as against the applicable Directors and thereafter such claims may only be asserted against the Securities Claimant Trust;

(g) the arrangements between the DIP and Exit Lender and the CannTrust Group contemplated by Section 9.1(k) in respect of the DIP and Exit Loan will become effective; and

(h) the term of office of those individuals who are Directors of CannTrust Holdings immediately prior to the Effective Time will terminate and the appointment of the individuals designated in the CCAA Sanction Order to replace them will become effective as of the Effective Time.

Timing for CCAA Plan to be Effective

The CannTrust Plan Companies' proposed timeline to emerge from the CCAA Proceedings is set out below:

April 30, 2021	Meetings
May 14, 2021	Sanction Hearing
Upon the satisfaction or waiver of the Plan Implementation Conditions, the Business Day designated by the CannTrust Plan Companies in consultation with the Monitor pursuant to Section 9.2 of the CCAA Plan.	Plan Implementation Date

The CCAA Plan will become effective at the Effective Time on the Plan Implementation Date. Any number of circumstances, including a failure to satisfy a condition to implementation of the CCAA Plan, may cause the Plan Implementation Date to be delayed.

SCHEDULE A
FORM OF PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The plan of compromise, arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated March 19, 2021, is hereby approved and authorized.

SCHEDULE B
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

SCHEDULE C
MEETING ORDER

This is **Exhibit "P"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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.

NOTICE OF MEETINGS AND SANCTION HEARING (for General Unsecured Creditors)

On March 19, 2021, CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") filed a plan of compromise, arrangement and reorganization (the "**CCAA Plan**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained an order (the "**Meeting Order**") directing them to conduct meetings of their creditors to vote on the CCAA Plan (the "**Meetings**"). All capitalized terms used in this Notice that are not defined herein have the meaning given to them in the CCAA Plan, or if not defined in the CCAA Plan, in the Meeting Order.

TAKE NOTICE that:

1. The CCAA Plan contemplates the compromise of all Affected Claims and will effect a release and discharge of all Affected Claims and Released Claims.

2. Claims of Affected Creditors are separated into four classes for the purpose of voting on the CCAA Plan:

   (a) a class of Creditors holding General Unsecured Claims against CannTrust Holdings Inc. (the "**CannTrust Holdings GUC Class**");

   (b) a class of Creditors holding General Unsecured Claims against Elmcliffe Investments Inc. (the "**Elmcliffe GUC Class**");

   (c) a class of Creditors holding General Unsecured Claims against CannTrust Inc. (the "**Opco GUC Class**" and collectively with the Opco GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**"); and

   (d) a class of Creditors holding Securities Claims (the "**Securities Claimant Class**").

3. You are receiving this Notice because you have been identified as a member or potential member of one or more of the GUC Classes. Members and potential members of the Securities Claimant Class will receive a separate notice.

4. Enclosed with this Notice you will find a copy of an Information Statement prepared by the CannTrust Plan Companies (which attaches the CCAA Plan as an exhibit) and a form of proxy. In addition to these materials, you may also want to review the Meeting Order. The Meeting Order and other information is available on the Monitor's Website at http://www.ey.com/ca/canntrust.

5. The purpose of these materials is to provide you with documents to assist you in your review and consideration of the CCAA Plan and in deciding whether to vote to accept or

reject the CCAA Plan, and to provide you with notice of the Meetings that will be held by videoconference as follows:

(a) Meeting of the CannTrust Holdings GUC Class: April 30, 2021 at 11:00 a.m. EST

(b) Meeting of the Elmcliffe GUC Class: April 30, 2021 at 11:30 a.m. EST; and

(c) Meeting of the Opco GUC Class: April 30, 2021 at 12:00 p.m. EST.

The Monitor will provide the videoconference details for the applicable Meeting to (i) each Affected Creditor that files a Proxy in accordance with the Meeting Order and their proxies, and (ii) each Affected Creditor that otherwise notifies the Monitor of its intention to attend that Meeting, in each case provided that the Affected Creditor is entitled to attend that Meeting.

6. **General Unsecured Creditors of CannTrust Inc.**

(a) Pursuant to the CCAA Plan (to the extent implemented in accordance with the terms thereof), each General Unsecured Creditor (Opco) with Proven Claims that elects or is deemed to be a Convenience Creditor will receive payment in an amount equal to the lesser of $2,500 and the actual amount of such Proven Claims.

(b) If you are a General Unsecured Creditor (Opco) with Proven Claims not exceeding an aggregate of $2,500, you are not required to attend the Meeting of the Opco GUC Class or to complete or file any forms. You are deemed to be a Convenience Creditor who will receive an amount equal to the actual amount of such Proven Claims pursuant to the CCAA Plan (to the extent implemented and in accordance with the terms thereof) and deemed to vote in favour of the CCAA Plan. Only if you wish to vote against the CCAA Plan are you required to submit the attached Opco GUC Election Notice and Proxy or attend the Meeting of the Opco GUC Class, and notify the Monitor in writing of your intention to vote against the CCAA Plan prior to the Meeting of the Opco GUC Class.

(c) If you are a General Unsecured Creditor (Opco) with Proven Claims exceeding an aggregate of $2,500, you may elect to be a Convenience Creditor and to receive $2,500 in full satisfaction of such Proven Claims in accordance with the CCAA Plan (to the extent implemented and in accordance with the terms thereof). You may make this election by completing and duly submitting the Election Notice portion of the attached Opco GUC Election Notice and Proxy. Once such an election is made, the Convenience Creditor will be deemed to vote in favour of the CCAA Plan unless they have notified the Monitor in writing of their intention to vote against the CCAA Plan prior to the Meeting of the Opco GUC Class and do vote against the CCAA Plan at such Meeting either personally or by submitting the Opco GUC Election Notice and Proxy.

(d) If you are a General Unsecured Creditor (Opco) with Proven Claims exceeding an aggregate of $2,500 and do not elect to be a Convenience Creditor, you may attend the Meeting of the Opco GUC Class at the date and time set out above to cast your vote. If you wish to vote at the Meeting of the Opco GUC Class but will not be attending or if the General Unsecured Creditor (Opco) is a corporation or other entity and not an individual, then you must duly complete and submit the Opco GUC Election Notice and Proxy.

7. **General Unsecured Creditors of Elmcliffe Investments Inc.**: Pursuant to the CCAA Plan (to the extent implemented in accordance with the terms thereof), each General Unsecured Creditor (Elmcliffe) with Proven Claims will receive payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor. If you are a General Unsecured Creditor (Elmcliffe) with a Proven Claim or Unresolved Claim, you may attend the Meeting of the Elmcliffe GUC Class at the date and time set out above to cast your vote. If you wish to vote at the Meeting of the Elmcliffe GUC Class but will not be attending or if the General Unsecured Creditor (Elmcliffe) is a corporation or other entity and not an individual, then you must duly complete and submit the Elmcliffe GUC Proxy.

8. **General Unsecured Creditors of CannTrust Holdings Inc.**: Pursuant to the CCAA Plan (to the extent implemented in accordance with the terms thereof), each General Unsecured Creditor (CannTrust Holdings) with Proven Claims will receive payment of the amount of such Proven Claims. If you are a General Unsecured Creditor (CannTrust Holdings) with a Proven Claim or Unresolved Claim, you may attend the Meeting of the CannTrust Holdings GUC Class at the date and time set out above to cast your vote. If you wish to vote at the Meeting of the CannTrust Holdings GUC Class but will not be attending or if the General Unsecured Creditor (CannTrust Holdings) is a corporation or other entity and not an individual, then you must duly complete and submit the CannTrust Holdings GUC Proxy.

9. Any Proxy, including the Election Notice portion of the Opco GUC Election Notice and Proxy, must be sent by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor in each case so that it is received by **no later than 5:00 p.m. (Toronto Time) on April 27, 2021 or three (3) Business Days prior to any adjournment** of the relevant Meeting.

10. Any failure to file a Proxy will not affect your right to any distribution under the CCAA Plan.

11. If the CCAA Plan is approved at the applicable Meetings and the other necessary conditions are met, the CannTrust Group intends to apply to the Court for an Order sanctioning the CCAA Plan pursuant to the CCAA (the "**CCAA Sanction Order**") on May 14, 2021 (the "**Sanction Hearing**"). Any person wishing to oppose the relief sought at the Sanction Hearing must serve on the Service List a notice providing the basis for such opposition and a copy of the materials to be used to oppose the granting of the CCAA Sanction Order at least four (4) Business Days before the date set for the Sanction Hearing, or such shorter time as the Court, by Order, may allow.

12. Among other things, the following is required for the CCAA Plan to become effective:

    (a) the CCAA Plan must be approved by a majority in number of the General Unsecured Creditors holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at each of the Meetings of the GUC Classes in accordance with the Meeting Order;

(b) the CCAA Plan must be sanctioned by the Court; and

(c) the other conditions precedent to implementation and effectiveness of the CCAA Plan that are set out in the CCAA Plan must be satisfied or waived pursuant to the terms of the CCAA Plan.

If you have any questions regarding these matters or the enclosed materials, please contact the Monitor. The email address and mailing address for delivering Proxies to the Monitor are as follows:

Ernst & Young Inc.
Court-appointed Monitor of the CannTrust Group
100 Adelaide Street West
Toronto ON M5H 0B3
Attention: Alex Morrison and Karen Fung
Email: canntrust.monitor@ca.ey.com
Phone: 416-943-2091 or 1-855-224-0800

This is **Exhibit "Q"** referred to in the
affidavit of **Greg Guyatt**
sworn before me this
5th day of March, 2021

A Commissioner for taking affidavits

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.

NOTICE TO SECURITIES CLAIMANTS

On March 19, 2021, CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") filed a plan of compromise, arrangement and reorganization (the "**CCAA Plan**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained an order (the "**Meeting Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") directing them to conduct meetings of their creditors to vote on the CCAA Plan (the "**Meetings**"). All capitalized terms used in this Notice that are not defined herein have the meaning given to them in the CCAA Plan and the Meeting Order (available at http://www.ey.com/ca/canntrust).

You are receiving this Notice because you have been identified as a person that holds or may hold a Securities Claim that is an Affected Claim under the CCAA Plan. This Notice provides an overview of the settlement that has been reached between the CannTrust Plan Companies and Court-appointed representatives of Securities Claimants. The CCAA Plan, among other things, will implement this settlement framework. This Notice also describes certain options that you may have under the Meeting Order with respect to voting on the CCAA Plan.

Commencement of CCAA Proceedings

On March 31, 2020, the CannTrust Plan Companies and an affiliate, CTI Holdings (Osoyoos) Inc. (collectively, the "**CannTrust Group**") commenced proceedings (the "**CCAA Proceedings**") under the CCAA. Ernst & Young Inc. has been appointed as the monitor of the CannTrust Group (the "**Monitor**") by the Court.

The CannTrust Group commenced the CCAA Proceedings to, among other things, explore a global resolution of the multiple putative securities class actions that were commenced against CannTrust Holdings Inc. ("**CannTrust Holdings**") and others in several provinces in Canada and at the federal and state level in the United States (the "**Actions**") and address the other claims and contingent claims against the CannTrust Group in a single forum.

The Actions and Class Counsel

Carriage of the five putative class actions commenced in Ontario (the "**Ontario Class Action**") was awarded to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation (now Kalloghlian Myers LLP) ("**Ontario Class Action Counsel**").

Four federal putative class actions commenced in the Southern District of New York have been consolidated and Labaton Sucharow LLP was appointed as lead counsel ("**U.S. Class Action Counsel**") in the consolidated action (the "**U.S. Class Action**").

The Ontario Class Action and U.S. Class Action together assert claims against CannTrust Holdings and others on behalf of a global class of persons that acquired shares of CannTrust Holdings between June 1, 2018 and September 17, 2019.

The Settlement of Securities Claims

Shortly after obtaining CCAA protection, and consistent with its desire to pursue a global resolution of the claims against it in the Actions, the CannTrust Group sought and obtained an order on May 8, 2020 appointing the Honourable Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to conduct a mediation between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the claims related to the Actions.

As a result of the extensive efforts that occurred in the mediation, on January 19, 2021, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (the "**RSA**") regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. The RSA provides that the settlement will be implemented pursuant to a CCAA plan and related settlement documents.

Appointment of the CCAA Representatives and CCAA Representative Counsel

On January 29, 2021, the Court issued an order (the "**CCAA Representation Order**") appointing, subject to certain limited exceptions set out therein:

1. the representative plaintiffs in the Ontario Class Action (the "**CCAA Canadian Representatives**") to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

2. the representative plaintiffs in the U.S. Class Action (the "**CCAA U.S. Representatives**" and collectively with the CCAA Canadian Representatives, the "**CCAA Representatives**") to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

3. Ontario Class Action Counsel ("**CCAA Canadian Representative Counsel**") as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims; and

4. Weisz Fell Kour LLP in association with U.S. Class Action Counsel ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims.

CCAA Plan

The CCAA Plan, which reflects the settlement framework agreed in the RSA, contains the following features, among others:

1. a trust will be established for the benefit of Securities Claimants (the "**Securities Claimant Trust**");

2. CannTrust Holdings will contribute $50 million to the Securities Claimant Trust;

3. the CannTrust Plan Companies will work with the CCAA Representatives and CCAA Representative Counsel (the "**Supporting Stakeholders**") to seek settlements with, and contributions to the Securities Claimant Trust from, Co-Defendants and Insurers that are Non-Settlement Parties;

4. any claims that CannTrust Holdings and CannTrust Inc. have against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims arise from or relate to the Securities-Related Matters, will be assigned to the Securities Claimant Trust;

5. the contributions made to the Securities Claimant Trust by CannTrust Holdings and any other settlement parties, together with any proceeds from the prosecution or settlement of any claims assigned to the Securities Claimant Trust, will be distributed pursuant to an allocation and distribution scheme to be developed by the Supporting Stakeholders and reflected in the CCAA Plan, and approved by the court; and

6. the CannTrust Plan Companies and all other parties to the settlement will be released from all Securities Claims and related claims against them, with very limited exceptions.

The CannTrust Plan Companies and the Supporting Stakeholders believe that the settlement framework set out in the RSA and the CCAA Plan represents a fair and reasonable compromise of Securities Claims against CannTrust Holdings and the other parties to the settlement. The settlement framework is the product of extensive negotiations facilitated by the Court-Appointed Mediator over many months, not only between CannTrust Holdings and the Supporting Stakeholders, but also taking into account the negotiations with other participants and feedback and directions provided by the Court-Appointed Mediator and the Monitor.

The CannTrust Plan Companies believe that the CCAA Plan fairly balances the interests of their stakeholders and is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern.

The Meetings

The Meeting Order provides that the Claims of Affected Creditors are separated into four classes for the purpose of voting on the CCAA Plan. Three classes are comprised of Creditors holding General Unsecured Claims. The fourth class is comprised of Creditors holding Securities Claims (the "**Securities Claimant Class**").

The Meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**") will be held by videoconference on April 30, 2021 at 2:00 p.m. EST. The Monitor will provide videoconference details in advance of the Securities Claimant Meeting to the CCAA Representatives, CCAA Representative Counsel and the Opt Out Securities Claimants, if any.

As set out above, the CCAA Representatives and CCAA Representative Counsel have been appointed by the Court to represent the interests of all Securities Claimants in relation to their Securities Claims. The Meeting Order provides that the CCAA Representatives and CCAA Representative Counsel will file a proof of claim and vote on behalf of all Securities Claimants other than Zola Finance Holdings Ltd., Igor Gimelshtein, 1604070 Alberta Ltd., Jeff Dyck, Diran Avedian and Shmuel Farhi (collectively, the "**Excluded Securities Claimants**"). The CCAA Representatives and CCAA Representative Counsel will vote in favour of the CCAA Plan.

Unless you want to vote against the CCAA Plan, or vote yourself, you do not have to do anything. If you want to vote against the CCAA Plan or otherwise attend and vote at the Securities Claimant Meeting, please see the instructions below.

Securities Claimant Meeting Materials

Enclosed with this Notice you will find a copy of a Securities Claimant Opt Out Election, Proof of Opt Out Securities Voting Claim and Opt Out Securities Claimant Proxy. In addition to these materials, you may also want to review the Information Statement prepared by the CannTrust Plan Companies (which attached the CCAA Plan as an exhibit) and the Meeting Order. The Information Statement, CCAA Plan, Meeting Order and other information is available on the Monitor's Website at http://www.ey.com/ca/canntrust.

1. Securities Claimant Opt Out Election

If you do not want the CCAA Representatives and/or CCAA Representative Counsel to file a proof of claim on your behalf and act as your proxy for voting purposes, you must complete the Securities Claimant Opt Out Election and deliver it to the Monitor **by no later than 5:00 p.m. on April 14, 2021.**

A Securities Claimant that delivers a Securities Claimant Opt Out Election in accordance with the Meeting Order will be an "Opt Out Securities Claimant" for the purposes of the CCAA Plan and the Meeting.

Please note that this process is only with respect to voting on the CCAA Plan. **Whether you file this election, or not, will not affect any distributions that you may be entitled to pursuant to the CCAA Plan.**

If you are an Excluded Securities Claimant, you are deemed to be an Opt Out Securities Claimant and do not have to file a Securities Claimant Opt Out Election.

2. Proof of Opt Out Securities Voting Claim

In order to attend the Securities Claimant Meeting or vote on the CCAA Plan, an Opt Out Securities Claimant must deliver a Proof of Opt Out Securities Voting Claim, including all relevant supporting documentation in respect of the validity and value of their Securities Claims, to the Monitor **by no later than 5:00 p.m. on April 19, 2021**. The Proof of Opt Out Securities Voting Claim will be reviewed by the Monitor and the CannTrust Plan Companies and may be accepted, revised or disallowed (in whole or in part) for the purposes of voting at the Securities Claimant Meeting only.

If you did not file a Securities Claimant Opt Out Election and are not an Excluded Securities Claimant, you do not have to file a Proof of Opt Securities Voting Claim. The Court has authorized and directed the CCAA Representatives and CCAA Representative Counsel to file a proof of claim on your behalf.

3. Opt Out Securities Claimant Proxy

An Opt Out Securities Claimant with Securities Claims that have been accepted in accordance with the Meeting Order for purposes of voting on the CCAA Plan may deliver a proxy appointing a person to attend and act on their behalf at the Securities Claimant Meeting. If the Opt Out Securities Claimant is not an individual (i.e. the Securities Claimant is a corporation or other legal entity), it may only attend and vote at the Securities Claimant Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

Any Opt Out Securities Claimant Proxy must be sent by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor in each case so that it is received by **no later than 5:00 p.m. (Toronto Time) on April 27, 2021 or three (3) Business Days prior to any adjournment** of the Securities Claimant Meeting.

If you did not file a Securities Claimant Opt Out Election and are not an Excluded Securities Claimant, you do not have to file an Opt Out Securities Claimant Proxy. The Court has appointed the CCAA Representatives and CCAA Representative Counsel as your proxy and they will be authorized to vote all Securities Claims that you hold at the Securities Claimant Meeting.

4. Delivery of Election, Proof of Claim and Proxy

The email address and mailing address for delivering the Securities Claimant Opt Out Election, Proof of Opt Out Securities Voting Claim and/or Opt Out Securities Claimant Proxy to the Monitor are as follows:

Ernst & Young Inc.
Court-appointed Monitor of the CannTrust Group
100 Adelaide Street West
Toronto ON M5H 0B3
Attention: Alex Morrison and Karen Fung
Email: canntrust.monitor@ca.ey.com

Obtaining Further Information

If you have any questions with respect to the foregoing, you may contact:

(i) CCAA Canadian Representative Counsel by e-mail at canntrust@strosbergco.com or by phone at 519-561-6296;

(ii) CCAA U.S. Representative Counsel by e-mail at sweisz@wfklaw.ca / jjohnson@labaton.com or by phone at 416-613-8281 / 212-907-0859; or

(iii) the Monitor by e-mail at canntrust.monitor@ca.ey.com or by phone 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)

Proceeding commenced at Toronto

AFFIDAVIT OF GREG GUYATT
(Sworn March 5, 2021)

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Lawyers for the Applicants

MT DOCS 21301841

Tab 3

Court File No. CV-20-00647824-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 19th
	)	
MR. JUSTICE HAINEY	)	DAY OF MARCH, 2021

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

MEETING 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, among other things,

(a) accepting the filing of the plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") under the CCAA and the *Business Corporations Act* (Ontario) dated March 19, 2021 (the "**CCAA Plan**") with the Court;

(b) authorizing and directing the CannTrust Plan Companies to call, hold and conduct meetings of their creditors to vote on the CCAA Plan;

(c) approving, pursuant to section 22 of the CCAA, the classification of creditors set out in the CCAA Plan for the purposes of the meetings and voting on the CCAA Plan;

(d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the meetings;

(e) approving the procedures to be followed at the meetings, including voting procedures;

(f) setting a date for the hearing (the "**Sanction Hearing**") of the Applicants' motion for an order approving the CCAA Plan (the "**Sanction Order**");

(g) extending the Stay Period (as defined in the Initial Order) until and including the date of the Sanction Hearing; and

(h) authorizing Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") to accept certain Late Claims (as defined below).

was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Greg Guyatt sworn March 5, 2021 (the "**Guyatt Affidavit**"), the Eighth Report of the Monitor dated ●, 2021 (the "**Eighth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

A. SERVICE

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

B. DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined shall have the meanings given to them in the CCAA Plan.

3. **THIS COURT ORDERS** that all reference 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" or "includes" shall mean "including without limitation" or "includes without limitation", as the case may be.

5. **THIS COURT ORDERS** that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

C. MONITOR'S ROLE

6. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

7. **THIS COURT ORDERS** that:

(a) in carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order and the Claims Procedure Order, and as an officer of the Court, including the stay of proceedings in its favour;

(b) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part;

(c) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and

(d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

D. CCAA PLAN FILING AND AMENDMENT

8. **THIS COURT ORDERS** that the CCAA Plan is hereby accepted for filing and the CannTrust Plan Companies are authorized to contemporaneously file the CCAA Plan with this Order.

9. **THIS COURT ORDERS** that the CannTrust Plan Companies may, at any time and from time to time, prior to or during the Meetings, amend, restate, modify and/or supplement the CCAA Plan (which will thereafter constitute the "**CCAA Plan**" for the purposes of this Order); provided that any such amendment, restatement, modification and/or supplement shall be made in

accordance with the terms of the CCAA Plan and communicated in accordance with Paragraph 22 hereof.

E. CREDITOR CLASSIFICATION

10. **THIS COURT ORDERS** that, pursuant to section 22 of the CCAA, the following four classes of Affected Creditors (together, the "**Affected Creditor Classes**") in respect of the CCAA Plan are hereby approved:

(a) a class of Creditors holding General Unsecured Claims (Opco) (the "**Opco GUC Class**");

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe) (the "**Elmcliffe GUC Class**");

(c) a class of Creditors holding General Unsecured Claims (CannTrust Holdings) (the "**CannTrust Holdings GUC Class**" and collectively with the Opco GUC Class and the Elmcliffe GUC Class, the "**GUC Classes**"); and

(d) a class of Creditors holding Securities Claims (the "**Securities Claimant Class**").

F. AUTHORIZATION TO CALL AND HOLD MEETINGS

11. **THIS COURT ORDERS** that the CannTrust Plan Companies are authorized and directed to call, hold and conduct:

(a) a meeting of the Opco GUC Class (the "**Opco GUC Meeting**");

(b) a meeting of the Elmcliffe GUC Class (the "**Elmcliffe GUC Meeting**");

(c) a meeting of the CannTrust Holdings GUC Class (the "**CannTrust Holdings GUC Meeting**" and collectively with the Opco GUC Meeting and the Elmcliffe GUC Meeting, the "**GUC Meetings**"); and

(d) a meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**" and collectively with the GUC Meetings, the "**Meetings**"), on April 30, 2021, by videoconference due to the COVID-19 pandemic, for the purpose of considering and voting on a resolution to approve the CCAA Plan.

12. **THIS COURT ORDERS** that each Meeting shall take place at the time set out in the Notice of Meetings and Sanction Hearing or the Notice to Securities Claimants, as applicable (as each such term is defined below) or as adjourned to such time and date as the Chair may determine in accordance with Paragraph 50 or 51 hereof.

G. NOTICE OF MEETING AND SANCTION HEARING

Notice to General Unsecured Creditors

13. **THIS COURT ORDERS** that each of the following (collectively, the "**GUC Meetings Materials**") is hereby approved:

(a) the CannTrust Plan Companies' information statement substantially in the form attached to the Guyatt Affidavit as Exhibit "O" (which will attach the CCAA Plan as an exhibit) (the "**Information Statement**");

(b) the form of notice regarding the Meetings and Sanction Hearing for General Unsecured Creditors substantially in the form attached to the Guyatt Affidavit as Exhibit "P" (the "**Notice of Meetings and Sanction Hearing**");

(c) the form of proxy and Election Notice for Creditors holding General Unsecured Claims (Opco) substantially in the form attached as **Schedule "A"** hereto (the "**Opco GUC Election Notice and Proxy**");

(d) the form of proxy for Creditors holding General Unsecured Claims (Elmcliffe) substantially in the form attached as **Schedule "B"** hereto (the "**Elmcliffe GUC Proxy**"); and

(e) the form of proxy for Creditors holding General Unsecured Claims (CannTrust Holdings) substantially in the form attached as **Schedule "C"** hereto (the "**CannTrust Holdings GUC Proxy**").

14. **THIS COURT ORDERS** that, within three (3) Business Days following the later of the granting of this Order or the Monitor receiving a written request for copies of the GUC Meetings Materials, as applicable, the Monitor shall send:

(a) copies of the Information Statement, the Notice of Meetings and Sanction Hearing and the Opco GUC Election Notice and Proxy to all General Unsecured Creditors with a General Unsecured Claim (Opco) in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order;

(b) copies of the Information Statement, the Notice of Meetings and Sanction Hearing and the Elmcliffe GUC Proxy to all General Unsecured Creditors with a General Unsecured Claim (Elmcliffe) in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order;

(c) copies of the Information Statement, the Notice of Meetings and Sanction Hearing and the CannTrust Holdings GUC Proxy to all General Unsecured Creditors with a General Unsecured Claim (CannTrust Holdings) in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order; and

(d) copies of the GUC Meetings Materials to any General Unsecured Creditor who makes a written request to the Monitor for a copy of the GUC Meetings Materials,

in each case by e-mail to the e-mail address provided by such recipient in relation to the Claims Procedure Order or, if no e-mail address was provided, to the last known e-mail address for such recipient set out in the books and records of the Applicants or by regular mail, fax or courier if an e-mail address for such recipient is not known (except that where such recipient is represented by counsel known by the Applicants, the email address, mailing address or fax number of such counsel may be substituted) (collectively, the "**GUC Meeting Materials Parties**").

Notice to Securities Claimants

15. **THIS COURT ORDERS** that each of the following (collectively, the "**Securities Claimant Meeting Materials**") is hereby approved:

(a) the notice to Securities Claimants substantially in the form attached to the Guyatt Affidavit as Exhibit "Q" (the "**Securities Claimant Notice**");

(b) the form of proof of voting claims for CCAA Representatives (the "**Proof of Represented Securities Voting Claims**") substantially in the form attached as **Schedule "D"** hereto;

(c) the form of opt out election for Securities Claimants (the "**Securities Claimant Opt Out Election**") substantially in the form attached as **Schedule "E"** hereto;

(d) the form of proof of voting claim for Opt Out Securities Claimants (the "**Proof of Opt Out Securities Voting Claim**") substantially in the form attached as **Schedule "F"** hereto; and

(e) the form of proxy for Opt Out Securities Claimants substantially in the form attached as **Schedule "G"** hereto (the "**Opt Out Securities Claimant Proxy**").

16. **THIS COURT ORDERS** that, within three (3) Business Days following the granting of this Order, the Monitor shall send a copy of the Information Statement, the Securities Claimant Notice and the Proof of Represented Securities Voting Claims to the CCAA Representatives and CCAA Representative Counsel in each case by e-mail at the last known e-mail address for such recipient set out in the books and records of the Applicants.

17. **THIS COURT ORDERS** that, within three (3) Business Days following the later of the granting of this Order or the Monitor receiving a written request for copies of the Securities Claimant Meeting Materials, as applicable, the Monitor shall send a copy of the Information Statement, the Securities Claimant Notice, the Securities Claimant Opt Out Election, the Proof of Opt Out Securities Voting Claim and the Opt Out Securities Claimant Proxy to:

(a) all Excluded Securities Claimants (as defined in the CCAA Representation Order); and

(b) any Affected Creditor with a Securities Claim who makes a written request to the Monitor for a copy of the Securities Claimant Meeting Materials (a "**Requesting Securities Claimant**").

in each case by e-mail at the last known e-mail address for such recipient set out in the books and records of the Applicants, or by regular mail, fax or courier if an e-mail address for such recipient is not known (except that where such recipient is represented by counsel known by the Applicants, the email address, mailing address or fax number of such counsel may be substituted).

18. **THIS COURT ORDERS** that, within three (3) Business Days following the granting of this Order, the Monitor shall send a copy of the Securities Claimant Notice, the Securities Claimant Opt Out Election, the Proof of Opt Out Securities Voting Claim and the Opt Out Securities Claimant Proxy to all Known Securities Claimants (as defined in the CCAA Representation Order) in each case by e-mail (if known) or by regular mail at the addresses provided by the Applicants and CCAA Representative Counsel pursuant to the CCAA Representation Order (except that where such recipient is represented by counsel known by the Applicants, the e-mail address or mailing address of such counsel may be substituted).

Posting, Service and Publication

19. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause:

(a) a copy of the Notice of Meetings and Sanction Hearing, the Information Statement and this Order to be sent by e-mail to the service list maintained by the Monitor in these CCAA Proceedings (the "**Service List**"); and

(b) a copy of the GUC Meeting Materials, the Securities Claimant Meeting Materials and this Order to be posted on the website established by the Monitor in respect of these proceedings (the "**Monitor's Website**"). The Monitor shall ensure that such materials remain posted on the Monitor's Website until at least one (1) Business Day after the Plan Implementation Date.

20. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause notice of the Meetings, substantially in the form of the Notice of Meetings

and Sanction Hearing, amended or abridged as the Monitor deems reasonable in its discretion for the purposes of publication, to be published for a period of one (1) Business Day in *The Globe and Mail* (National Edition) and Wall Street Journal.

Amendments and Supplements to Meeting Materials

21. **THIS COURT ORDERS** that the CannTrust Plan Companies, in consultation with the Monitor, may from time to time:

(a) make such changes to the documents in the GUC Meetings Materials or the Securities Claimant Meeting Materials as the CannTrust Plan Companies, in consultation with the Monitor, consider necessary or desirable, including but not limited to changes to conform the content thereof to the terms of the CCAA Plan (including any amendments, restatements, modifications or supplements thereto), this Order or any further Orders of the Court and any changes necessary or desirable with respect to the date, time, and method of the Meetings and the Sanction Hearing; and

(b) prepare any supplements to the Information Statement as the CannTrust Plan Companies, in consultation with the Monitor, consider necessary or desirable (each a "**Supplemental Information Statement**").

22. **THIS COURT ORDERS** that, as soon as reasonably practicable after finalization of any Supplemental Information Statement in accordance with Paragraph 21 hereof and any amendments, restatements, modifications and/or supplements to the CCAA Plan in accordance with Paragraph 9 hereof, the Monitor shall:

(a) cause such materials to be posted on the Monitor's Website (where the Monitor shall ensure that such materials remain posted until at least one (1) Business Day after the Plan Implementation Date);

(b) send such materials by e-mail to the Service List;

(c) if made prior to the Meetings, send such materials to the GUC Meeting Materials Parties, the CCAA Representatives, CCAA Representative Counsel, the Excluded

Securities Claimants, the Requesting Securities Claimants and the Opt-Out Securities Claimants, if any; and

(d) if made at one of the Meetings, provide notice to those present at the applicable Meeting and any subsequent Meetings prior to the vote being taken to approve the CCAA Plan.

Sufficiency of Notice

23. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the GUC Meeting Materials and Securities Claimant Meeting Materials, and/or publication of notice in accordance with Paragraphs 13 to 22 above, shall constitute good and sufficient service and notice of this Order, the CCAA Plan and the Meetings on all Persons who may be entitled to receive notice thereof, or who may be entitled to be in attendance personally or by proxy at the Meetings or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings. Service shall be effective: (i) in the case of e-mail or fax, on the day the e-mail or fax was transmitted, unless such day is not a Business Day, or the e-mail or fax transmission was made after 5:00 p.m., in which case, on the next Business Day (ii) in the case of mailing, three (3) Business Days after the date of mailing; and (iii) in the case of service by courier, on the day after the courier was sent.

24. **THIS COURT ORDERS** that the non-receipt of a copy of the GUC Meetings Materials or Securities Claimant Meeting Materials, as applicable, beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the GUC Meetings Materials or Securities Claimant Meeting Materials, as applicable, as a result of events beyond the reasonable control of the Monitor (including, any inability to use postal services) shall not constitute a breach of this Order, but if any such failure or omission is brought to the attention of the Monitor then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

H. RECORD DATE

25. **THIS COURT ORDERS** that the record date for the purposes of determining which Creditors are entitled to vote at the Meetings (the "**Record Date**") is April 23, 2021.

I. TRANSFER AND ASSIGNMENT OF CLAIMS

26. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangements with the Applicants, an Affected Creditor may transfer or assign the whole of its Affected Claim prior to the applicable Meeting. If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with the Applicants, an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Meeting unless (a) the assigned Affected Claim is a Voting Claim (as defined below), Unresolved General Unsecured Claim or Unresolved Securities Voting Claim, or a combination thereof; and (b) satisfactory notice of and proof of transfer or assignment has been delivered to the Applicants and the Monitor in accordance with the Claims Procedure Order, where applicable, no later than the Record Date.

J. REPRESENTATION OF SECURITIES CLAIMANTS AND SECURITIES CLAIMS

27. **THIS COURT ORDERS** that a Securities Claimant that does not want the CCAA Representatives and/or CCAA Representative Counsel to file a proof of claim on their behalf and to act as their proxy for voting purposes must deliver a Securities Claimant Opt Out Election to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on April 14, 2021 (the "**Opt Out Deadline**").

28. **THIS COURT ORDERS** that any Securities Claimant that delivers a Securities Claimant Opt Out Election to the Monitor in accordance with paragraph 27 above shall be an Opt Out Securities Claimant for the purposes of this Order.

29. **THIS COURT ORDERS** that each of the Excluded Securities Claimants (as defined in the CCAA Representation Order) shall be an Opt Out Securities Claimant for the purposes of this Order, without any further action or need to deliver a Securities Claimant Opt Out Election or any other document to effect same.

30. **THIS COURT ORDERS** that:

(a) the CCAA Canadian Representatives and CCAA Canadian Representative Counsel are authorized and directed to file a Proof of Represented Securities Voting Claims with respect to all Securities Claims held by all Canadian and Non-U.S. Securities Claimants (as defined in the CCAA Representation Order) other than Opt Out Securities Claimants ("**Represented Canadian and Non-U.S. Securities Claimants**"); and

(b) the CCAA Canadian Representatives, without any further action or need for Securities Claimants to issue any Proxy or any other document to effect same, are hereby appointed as proxy for all Represented Canadian and Non-U.S. Securities Claimants, and the CCAA Canadian Representatives are authorized to vote all Securities Claims held by such Represented Canadian and Non-U.S. Securities Claimants at the Securities Claimant Meeting.

31. **THIS COURT ORDERS** that:

(a) the CCAA U.S. Representatives and CCAA U.S. Representative Counsel are authorized and directed to file a Proof of Represented Securities Voting Claims with respect to all Securities Claims held by all U.S. Securities Claimants (as defined in the CCAA Representation Order) other than Opt Out Securities Claimants ("**Represented U.S. Securities Claimants**" and collectively with Represented Canadian and Non-U.S. Securities Claimants, "**Represented Securities Claimants**"); and

(b) the CCAA U.S. Representatives, without any further action or need for Securities Claimants to issue any Proxy or any other document to effect same, are hereby appointed as proxy for all Represented U.S. Securities Claimants, and the CCAA U.S. Representatives are authorized to vote all Securities Claims held by such Represented U.S. Securities Claimants at the Securities Claimant Meeting.

K. PROOF OF SECURITIES VOTING CLAIMS

Proof of Opt Out Securities Voting Claims

32. **THIS COURT ORDERS** that an Opt Out Securities Claimant that wishes to vote with respect to such Opt Out Securities Claimant's Securities Claim(s) (an "**Opt Out Securities Voting Claim**") at the Securities Claimant Meeting must deliver a Proof of Opt Out Securities Voting Claim, including supporting documentation specified therein in respect of the validity and

value of such Opt Out Securities Voting Claim, to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on April 19, 2021 (the "**Proof of Securities Voting Claim Deadline**").

33. **THIS COURT ORDERS** that any Opt Out Securities Claimant who does not deliver a Proof of Opt Out Securities Voting Claim to the Monitor by the Proof of Securities Voting Claim Deadline in accordance with paragraph 32 above shall not be entitled to attend the Securities Claimant Meeting or vote on the CCAA Plan.

34. **THIS COURT ORDERS** that the Monitor and the CannTrust Plan Companies shall review each Proof of Opt Out Securities Voting Claim delivered in accordance with paragraph 32 above and may:

(a) request additional information from an Opt Out Securities Claimant;

(b) attempt to resolve and settle any issue arising with respect to a Proof of Opt Out Securities Voting Claim; and

(c) accept, revise or disallow (in whole or in part) the amount of any Opt-Out Securities Voting Claim for the purposes of voting at the Securities Claimant Meeting.

35. **THIS COURT ORDERS** that the Monitor shall notify each Opt Out Securities Claimant that has filed a Proof of Opt Out Securities Voting Claim in writing with respect to whether their Proof of Opt Out Securities Voting Claim has been accepted, revised or disallowed (in whole or in part) for the purposes of voting at the Securities Claimant Meeting on or before April 23, 2021.

36. **THIS COURT ORDERS** that where a Opt Out Securities Voting Claim has been accepted by the Monitor in accordance with this Order, such Opt Out Securities Voting Claim shall constitute such Opt Out Securities Claimant's Proven Claim for the purposes of voting at the Securities Claimant Meeting. The acceptance (in whole or in part) of an Opt Out Securities Voting Claim by the Monitor shall be solely for the purposes of voting at the Securities Claimant Meeting and shall not be binding for the purposes of the CCAA Plan or the Allocation and Distribution Scheme or otherwise constitute an admission of any fact, thing, or quantum or status of any Securities Claim.

37. **THIS COURT ORDERS** that any Opt Out Securities Claimant that intends to dispute a notice sent by the Monitor pursuant to paragraph 35 hereof shall notify the Monitor of such dispute in writing by no later than 5:00 p.m. on April 27, 2021.

38. **THIS COURT ORDERS** that if any Opt Out Securities Claimant who received a notice sent by the Monitor pursuant to paragraph 35 hereof does not deliver a notice of dispute in accordance with paragraph 37 hereof, the value of such Opt Out Securities Voting Claim set out in the notice sent by the Monitor pursuant to paragraph 35 hereof shall constitute such Opt Out Securities Claimant's Proven Claim for the purposes of voting at the Securities Claimant Meeting and the Opt Out Securities Claimant will be barred from disputing or appealing same.

Proof of Represented Securities Voting Claims

39. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel must deliver a joint Proof of Represented Securities Voting Claims with respect to all Securities Claims held by Represented Securities Claimants, including all relevant supporting documentation in respect of the number of Represented Securities Claimants and the value of their Securities Claims, by the Proof of Securities Voting Claim Deadline.

40. **THIS COURT ORDERS** that the Monitor and the CannTrust Plan Companies shall review the Proof of Represented Securities Voting Claims, provided it is delivered in accordance with paragraph 39 above, and may:

(a) request additional information from the CCAA Representatives or CCAA Representative Counsel;

(b) attempt to resolve and settle any issue arising with respect to the Proof of Represented Securities Voting Claims; and

(c) accept, revise or disallow (in whole or in part) the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants for the purposes of voting at the Securities Claimant Meeting.

41. **THIS COURT ORDERS** that the Monitor shall notify the CCAA Representatives in writing with respect to whether the number of the Represented Securities Claimants and the value of the Securities Claims held by the Represented Securities Claimants asserted in the Proof of Represented Securities Voting Claims has been accepted, revised or disallowed (in whole or in part) for the purposes of voting at the Securities Claimant Meeting on or before April 23, 2021.

42. **THIS COURT ORDERS** that where the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants has been accepted by the Monitor in accordance with this Order, that shall constitute the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants for the purposes of voting at the Securities Claimant Meeting. The acceptance (in whole or in part) of the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants by the Monitor shall be solely for the purposes of voting at the Securities Claimant Meeting and shall not be binding for the purposes of the CCAA Plan or the Allocation and Distribution Scheme or otherwise constitute an admission of any fact, thing, or quantum or status of any Securities Claim.

43. **THIS COURT ORDERS** that if the CCAA Representatives intend to dispute a notice sent by the Monitor pursuant to paragraph 41 hereof, the CCAA Representatives shall notify the Monitor of such dispute in writing by no later than 5:00 p.m. on April 27, 2021.

44. **THIS COURT ORDERS** that if the CCAA Representatives receive a notice sent by the Monitor pursuant to paragraph 41 hereof and do not deliver a notice of dispute in accordance with paragraph 43 hereof, the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants set out in the notice sent by the Monitor pursuant to paragraph 41 hereof shall constitute the number of the Represented Securities Claimants and/or the value of the Securities Claims held by the Represented Securities Claimants for the purposes of voting at the Securities Claimant Meeting and the CCAA Representatives will be barred from disputing or appealing same.

Unresolved Securities Voting Claims

45. **THIS COURT ORDERS** that the Monitor, in consultation with the CannTrust Plan Companies, may attempt to resolve and settle a dispute set out in a notice of dispute delivered in

accordance with paragraphs 37 or 43 hereof with the Opt Out Securities Claimant or CCAA Representatives, as applicable, prior to the commencement of the Securities Claimant Meeting. If the dispute is not settled prior to the commencement of the Securities Claimant Meeting, the Opt Out Securities Claimant or CCAA Representatives, as applicable, will have an "**Unresolved Securities Voting Claim**" for the purposes of voting at the Securities Claimant Meeting.

L. <u>CONDUCT AT MEETINGS</u>

46. **THIS COURT ORDERS** that the Meetings shall be conducted, and the CCAA Plan shall be voted upon and, if approved by the majorities contemplated by paragraph 62 hereof, ratified and given full force and effect, in accordance with the provisions of this Order, the Claims Procedure Order, the CCAA, the *Business Corporations Act* (Ontario) or such other business corporations legislation applicable to an Applicant, and any further order of this Court.

47. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair (the "**Chair**") of each Meeting and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of each Meeting.

48. **THIS COURT ORDERS** that the quorum required at each Meeting is as follows:

(a) for the Opco GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Opco);

(b) for the Elmcliffe GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (Elmcliffe);

(c) for the CannTrust Holdings GUC Meeting, the attendance at such Meeting personally or by proxy of one (1) Affected Creditor with a Voting Claim that is a General Unsecured Claim (CannTrust Holdings); and

(d) for the Securities Claimant Meeting, the attendance at such Meeting personally or by proxy of one (1) Securities Claimant with a Voting Claim that is a Securities Claim.

49. **THIS COURT ORDERS** that the Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at each Meeting and that a Person designated by the Monitor shall act as secretary at each Meeting (the "**Secretary**").

50. **THIS COURT ORDERS** that if: (i) the requisite quorum is not in attendance at a Meeting; or (ii) the Meeting is postponed by the vote of the majority in value of Voting Claims (as defined below) of the Affected Creditors with Voting Claims in the applicable Affected Creditors Class present in person or by proxy; then in either case the applicable Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.

51. **THIS COURT ORDERS** that a Meeting need not be convened in order to be adjourned and that the Chair shall be entitled to adjourn and further adjourn a Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the CannTrust Plan Companies and Monitor shall not be required to deliver any notice of adjournment other than posting notice on the Monitor's Website and notifying the Service List of the adjournment. Any Proxy (as defined below) validly delivered in connection with the Meetings shall be accepted as a Proxy in respect of any adjourned Meeting.

52. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend a Meeting are: (i) the Monitor and its counsel; (ii) those Persons, including the holders of Proxies, entitled to vote at a Meeting pursuant to this Order and their legal counsel and advisors; (iii) the Applicants' officers, legal counsel and advisors; (iv) the CRO; and (v) the Scrutineers and Secretary. Any other Person may be admitted to a Meeting on invitation of the Chair.

53. **THIS COURT ORDERS** that the Chair of the Meeting and the Monitor may rely on representations by attendees to confirm their identification.

M. VOTING PROCEDURE

54. **THIS COURT ORDERS** that at each Meeting, the Chair shall direct a vote on a resolution to approve the CCAA Plan and any amendments thereto in accordance with the CCAA Plan, and may direct a vote with respect to any other resolutions as the Chair may consider

appropriate, in consultation with the CannTrust Plan Companies and in accordance with the CCAA Plan.

55. **THIS COURT ORDERS** that, in respect of the Opco GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Opco) that are Proven Claims or Unresolved General Unsecured Claims or their proxies shall be entitled to vote at such Meeting.

56. **THIS COURT ORDERS** that, in respect of the Elmcliffe GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (Elmcliffe) that are Proven Claims or Unresolved General Unsecured Claims or their proxies shall be entitled to vote at such Meeting.

57. **THIS COURT ORDERS** that, in respect of the CannTrust Holdings GUC Meeting, only General Unsecured Creditors holding General Unsecured Claims (CannTrust Holdings) that are Proven Claims or Unresolved General Unsecured Claims or their proxies shall be entitled to vote at such Meeting.

58. **THIS COURT ORDERS** that, in respect of the Securities Claimant Meeting, only Represented Securities Claimants and Opt Out Securities Claimants holding Securities Claims that have been accepted for voting purposes pursuant to this Order or Unresolved Securities Voting Claims or their proxies shall be entitled to vote at such Meeting.

59. **THIS COURT ORDERS** that Unaffected Creditors are not entitled, in such capacity, to attend the Meetings or vote on the CCAA Plan.

60. **THIS COURT ORDERS** that, except as expressly set forth herein in respect of Securities Claims, holders of Equity Claims are not entitled, in such capacity, to attend the Meetings or vote on the CCAA Plan.

61. **THIS COURT ORDERS** that voting entitlement on the CCAA Plan shall be calculated as follows:

(a) for each of the Opco GUC Class, the Elmcliffe GUC Class and the CannTrust Holdings GUC Class, each General Unsecured Creditor as of the Record Date with a General Unsecured Claim that is a Proven Claim is entitled to one vote in respect of such General Unsecured Claim, which vote shall have a value equal to the dollar value of such General

Unsecured Creditor's Proven Claim determined in accordance with the Claims Procedure Order, provided that in the case of a Proven Claim that includes an Insured Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Claim; and

(b) for the Securities Claimant Class:

(i) the CCAA Representatives are entitled to the number of votes equal to the number of the Represented Securities Claimants determined in accordance with this Order, which votes shall have an aggregate value equal to the value of the Securities Claims held by the Represented Securities Claimants determined in accordance with this Order;

(ii) each Opt Out Securities Claimant with an Opt Out Securities Voting Claim that is a Proven Claim is entitled to one vote in respect of such Opt Out Securities Voting Claim which vote shall have a value equal to the Opt Out Securities Claimant's Proven Claim determined in accordance with this Order;

(each, a "**Voting Claim**", and collectively the "**Voting Claims**")

62. **THIS COURT ORDERS** that the vote on the resolution to approve the CCAA Plan at the GUC Meetings shall be decided by approval of the CCAA Plan by a majority in number of the General Unsecured Creditors of each of the GUC Classes holding Voting Claims representing at least two-thirds in value of the Voting Claims in such class that are in attendance personally or by proxy and voting at each GUC Meeting.

63. **THIS COURT ORDERS** that, subject to further order of this Court, the vote on the resolution to approve the CCAA Plan at the Securities Claimant Meeting shall be decided by approval of the CCAA Plan by a majority in number of the Securities Claimants holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Securities Claimant Meeting.

64. **THIS COURT ORDERS** that General Unsecured Creditors with Unresolved General Unsecured Claims (or their proxies) may attend and vote at the applicable Meeting and will have their voting intentions with respect to the Unresolved General Unsecured Claims separately

recorded by the Monitor and reported to this Court. For purposes of such vote, each General Unsecured Creditor with an Unresolved General Unsecured Claim is entitled to one vote, which vote shall have the value accepted by the Monitor, if any, for voting purposes only in respect of the Unresolved General Unsecured Claim. The voting of such claim at a GUC Meeting and the valuation of it for voting purposes is without prejudice to the rights of the CannTrust Plan Companies and Monitor, and the holder of the Unresolved General Unsecured Claim, with respect to the resolution of the Claim for distribution purposes. Votes by General Unsecured Creditors with Unresolved General Unsecured Claims in respect of such Unresolved Claims will not be considered in the calculation of the majorities contemplated by paragraph 62 hereof; however, if approval or non-approval of the CCAA Plan by the GUC Classes would be determined by the votes cast in respect of Unresolved General Unsecured Claims, the CannTrust Plan Companies and the Monitor, on notice to the Service List, will request this Court's directions and, if necessary, a deferral of the Sanction Hearing (as defined below) and expedited determination of any material Unresolved General Unsecured Claims, as appropriate.

65. **THIS COURT ORDERS** that CCAA Representatives and Opt Out Securities Claimants with Unresolved Securities Voting Claims (or their proxies) may attend and vote at the Securities Claimant Meeting and will have their voting intentions with respect to the Unresolved Securities Voting Claims separately recorded by the Monitor and reported to this Court. For purposes of such vote, (i) each Opt Out Securities Claimant with an Unresolved Opt Out Securities Voting Claim is entitled to one vote, which vote shall have the value accepted by the Monitor, if any, for voting purposes only in respect of the Unresolved Securities Voting Claim, and (ii) the CCAA Representatives with Unresolved Securities Voting Claims will be entitled to the number of votes equal to the number of the Represented Securities Claimants accepted by the Monitor, if any, which vote shall have an aggregate value equal to the value of the Represented Securities Voting Claims accepted by the Monitor, if any, for voting purposes only in respect of the Unresolved Securities Voting Claims.

66. **THIS COURT ORDERS** that, following the vote at each Meeting, the Monitor will tally the votes in the manner set out herein and determine whether the CCAA Plan has been approved by the majorities contemplated by paragraphs 62 and 63 hereof.

67. **THIS COURT ORDERS** that the result of any vote at the Meetings shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present at the Meeting or voted on the resolution to approve the CCAA Plan.

68. **THIS COURT ORDERS** that every question submitted to be decided at a Meeting, except to approve the resolution to approve the CCAA Plan, will be decided by a vote of a majority in value of the Voting Claims held by Affected Creditors in attendance personally or by proxy at such Meeting and cast in respect of such question.

N. VOTING BY PROXY

69. **THIS COURT ORDERS** that the Monitor, in consultation with the CannTrust Plan Companies, is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any form of proxy is completed and executed and is hereby authorized to accept and rely upon proxies substantially in the form attached hereto or such other form as is acceptable to the Monitor, in consultation with the CannTrust Plan Companies (in each case, a "**Proxy**").

70. **THIS COURT ORDERS** that any Proxy must be received by the Monitor by no later than 5:00 p.m. on the date that is three (3) Business Days prior to the applicable Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the CannTrust Plan Companies.

71. **THIS COURT ORDERS** that, for purposes of tabulating the votes cast on any matter voted upon at a Meeting, the Chair is entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in accordance with this Order, without independent investigation.

72. **THIS COURT ORDERS** that, if a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the CCAA Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the CCAA Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the applicable Meeting.

73. **THIS COURT ORDERS** that a Creditor with a Voting Claim who is not an individual may only attend and vote at a Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

O. CONVENIENCE CREDITORS

74. **THIS COURT ORDERS** that, in respect of Convenience Creditors who will receive, subject to the terms and implementation of the CCAA Plan, payment in an amount equal to the lesser of the Election Amount and the actual amount of their Proven Claims,

(a) in order for a General Unsecured Creditor (Opco) with Proven Claims exceeding the Election Amount to elect to receive the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims, such General Unsecured Creditor (Opco) is required to indicate such election in the Election Notice section of its Proxy, which Proxy must be submitted pursuant to the terms of this Order; and

(b) a General Unsecured Creditor (Opco) with Proven Claims not exceeding the Election Amount shall not be permitted or required to make an election in the Election Notice section of its Proxy and shall receive an amount equal to the actual amount of such Proven Claim as a Convenience Creditor in full satisfaction of such Proven Claims and any election in the Election Notice section of the Proxy submitted by such Convenience Creditors shall be deemed null and void.

75. **THIS COURT ORDERS** that each Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the CCAA Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the CCAA Plan prior to the Opco GUC Meeting and does vote against the CCAA Plan at such Opco GUC Meeting either personally or by proxy. The value of a Convenience Creditor's General Unsecured Creditor (Opco) for voting purposes is the actual amount of such Proven Claim (subject to paragraphs 74(a) and 74(b) hereof to the extent applicable).

P. MONITOR’S REPORT AND SANCTION HEARING

76. **THIS COURT ORDERS** that the Monitor shall provide a report to this Court no later than three (3) Business Days following the Meetings (the “**Monitor’s Report Regarding the Meetings**”), which shall be served on the Service List and posted on the Monitor’s Website as soon as practicable after it is filed with this Court, with respect to:

(a) the results of the voting at the Meetings on the resolution to approve the CCAA Plan;

(b) whether the votes cast in respect of Unresolved General Unsecured Claims or Unresolved Securities Voting Claims, if any, would affect the result of that vote; and

(c) any other matter that the Monitor considers relevant.

77. **THIS COURT ORDERS** that, in the event that the CCAA Plan has been approved by the majorities contemplated by paragraph 62 hereof, the Applicants shall bring a motion before this Court on May 14, 2021 or such later date as is set by this Court for the Sanction Hearing upon motion by the Applicants seeking an order sanctioning the CCAA Plan.

78. **THIS COURT ORDERS** that the posting on the Monitor’s Website, service of the Meeting Materials, and/or publication in accordance with Paragraphs 13 to 22 above, shall constitute good and sufficient service and notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that the Applicants shall serve the Service List with the motion materials relating to the Sanction Hearing and any additional materials to be used in support thereof and the Monitor shall post and serve the Monitor’s Report Regarding the Meetings in accordance with Paragraph 76 above.

79. **THIS COURT ORDERS** that any party who wishes to oppose the entry of the Sanction Order shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least four (4) Business Days before the date set for the Sanction Hearing, or such shorter time as this Court, by order, may allow.

80. **THIS COURT ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance in the Applicants' CCAA proceeding shall be served with notice of the adjourned date.

81. **THIS COURT ORDERS** that subject to any further order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the CCAA Plan and this Order, the terms, conditions and provisions of the CCAA Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

Q. LATE CLAIMS

82. **THIS COURT ORDERS** that the Monitor is authorized, in its discretion, to accept the Proofs of Claim identified in the Eighth Report as having been received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date (as each term is defined in the Claims Procedure Order), 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.

R. EXTENSION OF THE STAY PERIOD

83. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) be and is hereby extended until and including May 14, 2021.

S. GENERAL

84. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advise and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

85. **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.

86. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

87. **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.

88. **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.

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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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

MEETING ORDER

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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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

MOTION RECORD
(Meeting Order)
(Returnable March 19, 2021)

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