

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.

April 16, 2021

This information statement is being sent to certain creditors of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. in connection with meetings called to consider the plan of compromise, arrangement and reorganization dated April 16, 2021 (as may be amended) that are scheduled to be held on May 28, 2021 by videoconference due to the 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.

TABLE OF CONTENTS

SUMMARY	5
Overview	5
Background and Overview	5
The CCAA Plan.....	6
Treatment of Affected Creditors	6
Classification of Creditors	7
The Meetings	8
Entitlement to Vote	8
Creditor Approval of the CCAA Plan.....	9
Court Approval of the CCAA Plan	9
Conditions Precedent to the Implementation of the CCAA Plan	9
IMPORTANT INFORMATION	11
THE CANNTRUST GROUP.....	12
Corporate Structure	12
CannTrust Plan Companies.....	12
CTI	12
Affected Parties.....	12
Business and Operations.....	12
CCAA PROCEEDINGS.....	13
Events Leading to the Commencement of CCAA Proceedings	13
Health Canada Audits and Resulting Challenges	13
Initial Steps Taken To Address These Challenges.....	14
Challenges Remaining in March 2020.....	14
Filing for CCAA Protection and Subsequent Events	15
Initial Order.....	15
Business Restructuring.....	15
Sale and Investment Solicitation Process.....	17
Claims Procedure	18
The Actions and the Mediation Process.....	19
Restructuring Support Agreement	21
CCAA Representation Order	22
DESCRIPTION OF THE CCAA PLAN	22
CannTrust Plan Companies	22

Purposes of the CCAA Plan	23
Classification and Treatment of Creditors.....	23
Classification of Creditors	23
Treatment of Creditors and Claims.....	23
Distribution Mechanics	29
Provisions Related to the Settlement and Continuation of the Actions.....	30
Additional Settlement Parties	30
Canadian Actions	31
U.S. Actions.....	31
Cross-Border Action	31
Litigation Cooperation of CannTrust Holdings	32
Releases and Injunctions	32
Released Claims.....	32
Non-Released Claims.....	33
Injunctions	34
Modification of the CCAA Plan.....	35
THE MEETINGS.....	36
Meeting Order	36
Classification of Creditors.....	36
The Meetings	36
Proof of Securities Claims for Voting Purposes.....	37
Procedure for Meetings	37
Participants.....	37
Quorum	37
Adjournments.....	38
Voting at the Meetings	38
Resolutions.....	38
Entitlement to Vote.....	38
Majorities	39
Voting by Proxy	39
Unresolved Claims.....	40
Transfer and Assignment of Claims.....	40
PLAN SANCTION.....	40
IMPLEMENTATION OF THE CCAA PLAN	46
Conditions to Plan Implementation	46

Articles of Reorganization.....	47
Restructuring Steps.....	47
Timing for CCAA Plan to be Effective	48
LIQUIDATION ANALYSIS.....	48
SCHEDULE A FORM OF PLAN RESOLUTION	1
SCHEDULE B PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION	1
SCHEDULE C MEETING ORDER	2
SCHEDULE D LIQUIDATION ANALYSIS	3

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 May 28, 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 April 16, 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) General Unsecured Claims (Opco): 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 Unresolved 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: The CCAA Sanction Order to be sought by the CannTrust Plan Companies will release all Securities-Related Indemnity Claims other than certain Defence Costs Indemnity Claims without any distribution under the CCAA Plan. The CCAA Plan contemplates that Non-Settlement Parties with valid Securities-Related Indemnity Claims will benefit from a judgment reduction and other provisions to be sought in the CCAA Sanction Order, as described further herein.
- (f) Channelled Claims: All Channelled Claims (which includes Insured Securities Claims, Insured Securities-Related Claims and 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 April 16, 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 May 28, 2021 at 11:00 a.m. EST;
- (b) a meeting of the Elmcliffe GUC Class (the “**Elmcliffe GUC Meeting**”), which is scheduled for May 28, 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 May 28, 2021 at 12:00 p.m. EST; and
- (d) a meeting of the Securities Claimant Class (the “**Securities Claimant Meeting**”), which is scheduled for May 28, 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 10:00 a.m. on June 11, 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 April 30, 2021. The CannTrust Group intends to seek further stay extensions 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 12, 2021:

Claim	Proven Claims		Unresolved Claims	
	Count	Amount	Count	Amount
CannTrust Holdings Inc.				
Secured	0	N/A	0	N/A
Unsecured	6	\$411,316	3	\$1,230,403
CannTrust Inc.				
Secured	1	\$101,439	2	\$1,600,000
Unsecured	172	\$1,689,517	11	\$59,462,525
Elmcliffe Investments Inc.				
Secured	0	N/A	1	\$71,812
Unsecured	1	\$400,000	0	N/A
CTI Holdings (Osyoos) 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 12, 2021, there were seven (7) 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 \$61.0 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.

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 of the Securities Claims reflected in the RSA and the CCAA Plan and the settlements with the Additional Settlement Parties, 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 Elmclyffe. 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 Channelled 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 \$900,000, less the portion thereof to be included in the Unresolved General Unsecured Claims Reserve in respect of Unresolved General Unsecured Claims against CannTrust Opco, 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 other than Insured Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred, and Securities Claimants with Securities Claims that are 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

To the extent provided in the CCAA Sanction Order, 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 against such Person by any other Person that is not a Settlement Party in relation to a Securities-Related Matter (each, a “**Securities-Related Indemnity Claim**”), other than certain Defence Costs Indemnity Claims (as set out below), will fully, finally, irrevocably and forever released and discharged at 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.

Any claim against CannTrust Holdings for indemnification, reimbursement or advancement of defence costs incurred by any Person who is not a Settlement Party in connection with defending against the Actions or any other Securities-Related Claim (each, a “**Defence Costs Indemnity Claim**”) held by a Co-Defendant or other Person in respect of a Securities-Related Claim, provided that such Defence Costs Indemnity Claim is otherwise valid and enforceable against CannTrust Holdings, will be an Unaffected Claim and will not be compromised under the CCAA Plan.

The CCAA Plan contemplates that Non-Settlement Parties with valid Securities-Related Indemnity Claims will also benefit from the following provisions from and after the Effective Time, to the extent provided in the CCAA Sanction Order:

- (a) any judgment or other award obtained by a Securities Claimant or the Securities Claimant Trust in respect of any Securities-Related Claim against a Non-Settlement Party or other

Person that is not a Released Party shall be reduced by the amount, if any, that the court or other tribunal adjudicating the Securities-Related Claim determines would have been recovered by such Non-Settlement Party or other Person pursuant to a Securities-Related Indemnity Claim held by it against a Released Party in respect of such Securities-Related Claim but for the release of such Securities-Related Indemnity Claim pursuant to the CCAA Plan or the CCAA Sanction Order, determined as of the moment before the Effective Time and, for greater certainty, taking into account (i) the Cash Contribution to be made by CannTrust Holdings to the Securities Claimant Trust and (ii) all other Securities-Related Indemnity Claims of other Non-Settlement Parties or other Persons participating in any recovery on a *pro rata* basis;

- (b) all claims for contribution, indemnity or other claims over relating to the Released Claims, which were or could have been brought by a Settlement Party (including with respect to an Assigned Claim) against a Non-Settlement Party will be permanently and forever barred, estopped, stayed and enjoined; and
- (c) a Co-Defendant may, on motion to the applicable court in an Action to which a Settlement Party is a defendant, and on at least thirty (30) days' notice to counsel for the Settlement Party, and not to be brought unless and until the Action against the Co-Defendant has been certified and all appeals or times to appeal have been exhausted if such Action is a class proceeding, seek orders for the following, determined as if the Settlement Party remained a party to the Action:
 - a. documentary discovery and an affidavit of documents from the Settlement Party in accordance with the *Rules of Civil Procedure*, RRO 1990, Reg. 1994;
 - b. oral discovery of the Settlement Party or a representative of the Settlement Party, as applicable, the transcript of which may be read in at trial;
 - c. leave to serve a request to admit on the Settlement Party in respect of factual matters; and
 - d. the attendance of the Settlement Party, or the production of a representative of the Settlement Party, as applicable, to testify at trial, with such witness to be subject to cross-examination by counsel for the Co-Defendant.

Channelled Claims

Channelled Claims will be fully, finally, irrevocably and forever enjoined as against the applicable Settlement Parties from the Effective Time. Each Channelled 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 and, if applicable, from any Person who is not a Released Party.

Channelled Claims include:

- (a) that portion of a Claim that is a Securities Claim for which CannTrust Holdings is covered by insurance provided by one or more Insurers who are not Settlement Parties, only to the extent of such coverage and limited to the actual recovery received from such Insurer(s) by CannTrust Holdings (or by the Securities Claimant Trust pursuant to any Assigned Claim(s) against such Insurer(s)) after the Effective Time in respect of such Claim (an “**Insured Securities Claim**”);

- (b) that portion of a claim that is a Securities-Related Claim for which a Settlement Party is covered by insurance provided by one or more Insurers who are not Settlement Parties, only to the extent of such coverage and limited to the actual recovery received from such Insurer(s) by the Settlement Party (or by the Securities Claimant Trust pursuant to any Assigned Claim(s) against such Insurer(s)) after the Effective Time in respect of such claim (an “**Insured Securities-Related Claim**”); and
- (c) 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 (a “**Securities-Related Section 5.1(2) Claim**”).

Nothing in the CCAA Plan will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties.

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 Non-Securities Claims

From the Effective Time, any Person having an Insured Non-Securities Claim will be limited to recovery in respect of the Insured Non-Securities Claim solely from the proceeds of the applicable insurance policies, and any Person with an Insured Non-Securities Claim 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 from the proceeds of the applicable 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) subject to and solely as provided in Section 3.6(1) of the CCAA Plan, that portion of a Claim that is an Insured Non-Securities Claim;
- (g) 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 that are not Securities-Related Indemnity Claims, accrued vacation leave and accrued vacation pay and which are not related to the cessation of employment;
- (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;
- (i) any Defence Costs Indemnity Claim held by a Co-Defendant or other Person in respect of a Securities-Related Claim provided that such Defence Costs Indemnity Claim is otherwise valid and enforceable against CannTrust Holdings;

- (j) the portion of any Claim that is an Insured Securities Claim (but subject to the injunction and related treatment contemplated by this CCAA Plan and the CCAA Sanction Order in respect of such Insured Securities Claim);
- (k) Claims that cannot be compromised due to section 19(2) of the CCAA, except any Claims that are 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; and
- (l) 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: (a) to add such Co-Defendant or Insurer to the definition of Additional Settlement Party; and (b) if the Additional Settlement Party is an Insurer, to treat the Insured Securities Claims and Insured Securities-Related Claims covered by such Insurer as Released Claims, and cause the amendment to be filed and posted in accordance with the CCAA Plan.

If 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 in accordance with the applicable RSA, then pursuant to the CCAA Plan and the CCAA Sanction Order: (a) such Additional Settlement Party shall not be treated as a Released Party; and (b) if the Additional Settlement Party is an Insurer, the Securities Claims and Securities-Related Claims covered by such Insurer shall continue to be treated as Insured Securities Claims and Insured Securities-Related Claims and shall not be treated as Released Claims, until such Additional Settlement Party 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),

in each case excluding Non-Released CannTrust Claims and Channelled Claims.

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 (subject to the injunction and related treatment contemplated by the CCAA Plan and the CCAA Sanction Order in respect of any Unaffected Claims that are Channelled Claims);
- (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 or otherwise terminated, subject to the compromise and/or release of any Claim held by the applicable counterparty under such agreement pursuant to the CCAA Plan or the CCAA Sanction Order.

Injunctions

From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from:

- (a) 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 with respect to any and all Released Claims;
- (b) 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 with respect to any and all Released Claims;
- (c) commencing, conducting, continuing or making against any other Person 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) that relates to a Released Claim if such other Person 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, unless such claim of such other Person is itself a Released Claim;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property with respect to any and all Released Claims; and
- (e) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims.

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, to the extent provided in the CCAA Sanction Order, any judgment or other award obtained by a Securities Claimant or the Securities Claimant Trust in respect of any Securities-Related Claim against a Non-Settlement Party or other Person that is not a Released Party shall be reduced by the amount, if any, that the court or other tribunal adjudicating the Securities-Related Claim determines would have been recovered by such Non-Settlement Party or other Person pursuant to a Securities-Related Indemnity Claim held by it against a Released Party in respect of such Securities-Related Claim but for the release of such Securities-Related Indemnity Claim pursuant to the CCAA Plan or the CCAA Sanction Order, determined as of the moment before the Effective Time and, for greater certainty, taking into account (i) the Cash Contribution to be made by CannTrust Holdings to the

Securities Claimant Trust and (ii) all other Securities-Related Indemnity Claims of other Non-Settlement Parties or other Persons participating in any recovery on a *pro rata* basis.

From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all claims for contribution, indemnity or other claims over relating to the Released Claims, which were or could have been brought by a Settlement Party (including with respect to an Assigned Claim) against a Non-Settlement Party will be permanently and forever barred, estopped, stayed and enjoined.

From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from:

- (a) 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 Released Parties with respect to any and all Channelled Claims;
- (b) 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 with respect to any and all Channelled Claims;
- (c) commencing, conducting, continuing or making against any other Person 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) that relates to a Channelled Claim if such Person 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, unless such claim of such other Person is itself a Released Claim or Channelled Claim;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and
- (e) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims,

provided that nothing in the CCAA Plan or the CCAA Sanction Order will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not 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 Monitor's Website 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 General Unsecured Creditors under the CCAA Plan as determined by the Monitor and, in the case of Securities Claimants, is in their financial or other interests as determined by the CCAA Representatives and is consented to 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 April 16, 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 May 28, 2021 at 11:00 a.m. EST;
- (b) a meeting of the Elmcliffe GUC Class (the “**Elmcliffe GUC Meeting**”), which is scheduled for May 28, 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 May 28, 2021 at 12:00 p.m. EST; and
- (d) a meeting of the Securities Claimant Class (the “**Securities Claimant Meeting**”), which is scheduled for May 28, 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 Non-Securities Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Non-Securities 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 May 25, 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 10:00 a.m. on June 11, 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; (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 (other than Insured Securities 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 from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other

proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Released Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Released Claims; (iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Released Claim if such other Person 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, unless such claim of such other Person is itself a Released Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property with respect to any and all Released Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims.

- (k) order that, from and after the Effective Time, any judgment or other award obtained by a Securities Claimant or the Securities Claimant Trust in respect of any Securities-Related Claim against a Non-Settlement Party or other Person that is not a Released Party shall be reduced by the amount, if any, that the court or other tribunal adjudicating the Securities-Related Claim determines would have been recovered by such Non-Settlement Party or other Person pursuant to a Securities-Related Indemnity Claim held by it against a Released Party in respect of such Securities-Related Claim but for the release of such Securities-Related Indemnity Claim pursuant to the CCAA Plan or the CCAA Sanction Order, determined as of the moment before the Effective Time and, for greater certainty, taking into account (i) the Cash Contribution to be made by CannTrust Holdings to the Securities Claimant Trust and (ii) all other Securities-Related Indemnity Claims of other Non-Settlement Parties or other Persons participating in any recovery on a *pro rata* basis;
- (l) order that, from and after the Effective Time, to the extent provided in the CCAA Sanction Order, all claims for contribution, indemnity or other claims over relating to the Released Claims, which were or could have been brought by a Settlement Party (including with respect to an Assigned Claim) against a Non-Settlement Party are permanently and forever barred, estopped, stayed and enjoined;
- (m) order that a Co-Defendant may, on motion to the applicable court in an Action to which a Settlement Party is a defendant, and on at least thirty (30) days' notice to counsel for the Settlement Party, and not to be brought unless and until the Action against the Co-Defendant has been certified and all appeals or times to appeal have been exhausted if such Action is a class proceeding, seek orders for the following, determined as if the Settlement Party remained a party to the Action:
 - (i) documentary discovery and an affidavit of documents from the Settlement Party in accordance with the *Rules of Civil Procedure*, RRO 1990, Reg. 1994;
 - (ii) oral discovery of the Settlement Party or a representative of the Settlement Party, as applicable, the transcript of which may be read in at trial;

- (iii) leave to serve a request to admit on the Settlement Party in respect of factual matters; and
 - (iv) the attendance of the Settlement Party, or the production of a representative of the Settlement Party, as applicable, to testify at trial, with such witness to be subject to cross-examination by counsel for the Co-Defendant;
- (n) order that each Person having a Channelled Claim will be limited to recovering from the Securities Claimant Trust in respect of such Channelled Claim in accordance with the CCAA Plan and Definitive Documents and, if applicable, from any Person who is not a Released Party, and such Person with a Channelled Claim will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Channelled Claim, provided that nothing in the CCAA Plan or CCAA Sanction Order will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;
- (o) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Channelled Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all a Channelled Claims; (iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Channelled Claim if such Person 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, unless such claim of such other Person is itself a Released, Claim, Channelled Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims, provided that nothing in the CCAA Plan or CCAA Sanction Order will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;
- (p) 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;

- (q) 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;
- (r) 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;
- (s) 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;
- (t) 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.

- (u) 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;
- (v) declare that the stay of proceedings under the Initial Order continues until the Effective Time;
- (w) approve the conduct of the CRO and the Directors of each member of the CannTrust Group during the CCAA Proceedings;
- (x) 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

- (y) 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 or enjoined, as applicable, 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 Channelled Claims will be fully, finally, irrevocably and forever enjoined as against the applicable Settlement Parties and thereafter such claims may only be asserted against the Securities Claimant Trust or, if applicable, any Person who is not a Settlement Party;
- (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:

May 28, 2021	Meetings
June 11, 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.

LIQUIDATION ANALYSIS

The CannTrust Plan Companies and the Monitor 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. If the CCAA Plan is not implemented, the only realistic alternative would be a realization of the assets of the CannTrust Plan Companies under the CCAA, the *Bankruptcy and Insolvency Act* (Canada) or another statute and the distribution of the net proceeds of such realization to creditors in accordance with their respective priorities after the claim amount of each creditor has been determined.

The Monitor, with the assistance of the CannTrust Group, has prepared an illustrative analysis of a forecast hypothetical liquidation of the assets of the CannTrust Group as of April 30, 2021 (the "**Liquidation Analysis**"). The Liquidation Analysis provides an estimate of the realizable value of the assets of each member of the CannTrust Group in a liquidation and the resulting distribution to their respective creditors in accordance with their respective priorities.

Subject to the assumptions, notes and disclaimers set out in the Liquidation Analysis, the following is a summary of the estimated distributions or potential amounts available to the creditors of each member of the CannTrust Group in a hypothetical liquidation:

1. CTI: As there were no general unsecured claims filed against CTI, the estimated net proceeds are assumed to be distributed to its direct parent CannTrust Opco and form part of its estimated net proceeds.
2. Elmcliffe: It is estimated that the accepted general unsecured claim filed against Elmcliffe in the amount of \$0.4 million would be paid in full, as it would be under the CCAA Plan. The remaining estimated net proceeds are assumed to be distributed to CannTrust Holdings on account of its pre-filing intercompany claim against Elmcliffe and to its direct parent CannTrust Opco and form part of their respective estimated net proceeds.
3. CannTrust Opco: It is estimated that there would be no recovery available for secured creditors (other than CannTrust Holdings) or general unsecured creditors of CannTrust Opco as the estimated net proceeds available for distribution (between approximately \$28.3 million and \$46.6 million) are less than the anticipated post-filing intercompany advances that CannTrust Opco will have received from CannTrust Holdings as at April 30, 2021 in the amount of \$53.0 million which are secured by the Intercompany Charge in the Initial Order. Under the CCAA Plan, secured creditors of CannTrust Opco (other than CannTrust Holdings) would be paid in full and general unsecured creditors of CannTrust Opco with Proven Claims would be entitled to receive a distribution from the GUC Distribution Pool.
4. CannTrust Holdings: It is estimated that the accepted general unsecured claims filed against CannTrust Holdings in the amount of approximately \$0.4 million would be paid in full, as they would be under the CCAA Plan. It is further estimated that there would be net proceeds available for distribution after the payment of those claims between approximately \$87.9 million and \$106.6 million.

A copy of the Liquidation Analysis is attached hereto as **Schedule “D”**. Creditors are urged to read the Liquidation Analysis in its entirety, including the assumptions, notes and disclaimers set out therein.

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 April 16, 2021, is hereby approved and authorized.

SCHEDULE B
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

**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.**

April 16, 2021

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Certain Rules of Interpretation.....	13
1.3 Successors and Assigns.....	14
1.4 Governing Law and Jurisdiction.....	14
1.5 Schedules	15
ARTICLE 2 PURPOSE AND EFFECT OF THE CCAA PLAN.....	15
2.1 Purpose.....	15
2.2 Affected Claims and Released Claims.....	15
2.3 Unaffected Claims	16
2.4 Equity Claims.....	17
ARTICLE 3 CLASSIFICATION AND TREATMENT OF AFFECTED CREDITORS AND RELATED MATTERS.....	17
3.1 Claims Procedure	17
3.2 Classification of Creditors	17
3.3 Meetings of Affected Creditors	18
3.4 Treatment of General Unsecured Claims.....	18
3.5 Treatment of Securities Claims.....	19
3.6 Insured Claims	20
3.7 Unresolved General Unsecured Claims	20
3.8 Extinguishment of Claims.....	20
3.9 Guarantees and Similar Covenants	21
3.10 Set-Off.....	21
ARTICLE 4 DEFINITIVE DOCUMENTS, LITIGATION ARRANGEMENTS AND RESTRUCTURING STEPS.....	21
4.1 Securities Claimant Trust.....	21
4.2 Settlement-Related Agreements.....	22
4.3 U.S. Class Action and California Action	22
4.4 Litigation Cooperation of CannTrust Holdings	23
4.5 Articles of Reorganization	25
4.6 Restructuring Steps	25
4.7 Corporate Approvals.....	26
ARTICLE 5 CASH POOL AND UNRESOLVED GENERAL UNSECURED CLAIMS	26
5.1 GUC Distribution Pool	26
5.2 Unresolved General Unsecured Claims Reserve	26

ARTICLE 6 DISTRIBUTIONS, PAYMENTS AND CURRENCY	27
6.1 Distributions Generally	27
6.2 Payments of Certain Unaffected Claims and Other Amounts	27
6.3 Distribution Mechanics for Affected Claims	27
6.4 Distributions in Respect of Unresolved General Unsecured Claims	28
6.5 Allocation of Distributions	28
6.6 Treatment of Unclaimed Distributions	28
6.7 Withholding Rights	29
6.8 Cancellation of Certificates and Notes, etc.	30
6.9 Calculations	30
6.10 Currency Matters	30
ARTICLE 7 RELEASES AND ADDITIONAL SETTLEMENT PARTIES	30
7.1 Additional Settlement Parties	30
7.2 Plan Releases	31
7.3 Injunctions	31
ARTICLE 8 COURT SANCTION	33
8.1 Application for CCAA Sanction Order	33
8.2 CCAA Sanction Order	33
ARTICLE 9 PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION	39
9.1 Conditions Precedent to Plan Implementation	39
9.2 CannTrust Plan Companies' Certificate – Plan Implementation	40
9.3 Monitor's Certificate – Plan Implementation	41
ARTICLE 10 GENERAL	41
10.1 Binding Effect	41
10.2 Deeming Provisions	42
10.3 Modification of the CCAA Plan	42
10.4 Paramountcy	43
10.5 Severability of Plan Provisions	43
10.6 Protections of the Monitor	44
10.7 Different Capacities	44
10.8 Notices	44
10.9 Further Assurances	46
10.10 Language	46
10.11 Acts to Occur on Next Business Day	46
10.12 Non-Consummation of the CCAA Plan	46

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 RSA” means a restructuring support agreement or other form of settlement agreement between CannTrust Holdings, the CCAA Representatives and an Additional Settlement Party that, among other things, designates such Additional Settlement Party as an Additional Settlement Party for the purposes of this CCAA Plan.

“Additional Settlement Party” means each of:

- (i) Brady Green; and
- (ii) 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(t).

“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 Elmclyffe.

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

“CCAA Representatives” 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.

“Channelled Claims” means the Insured Securities Claims, the Insured Securities-Related Claims and the Securities-Related Section 5.1(2) Claims.

“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 who is not a Settlement Party and has or could have a Securities-Related Indemnity Claim against a Released Party.

“Convenience Creditor” is defined in Section 3.4(2)(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 (Osyoos) Inc.

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

“Defence Costs Indemnity Claim” means any claim against CannTrust Holdings for indemnification, reimbursement or advancement of defence costs incurred by any Person who is

not a Settlement Party in connection with defending against the Actions or any other Securities-Related Claim.

“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.

“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.

“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(u).

“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, a 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 \$900,000 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 Non-Securities Claim” means 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 Securities Claim” means that portion of a Claim that is a Securities Claim for which CannTrust Holdings is covered by insurance provided by one or more Insurers who are not Settlement Parties, only to the extent of such coverage and limited to the actual recovery

received from such Insurer(s) by CannTrust Holdings (or by the Securities Claimant Trust pursuant to any Assigned Claim(s) against such Insurer(s)) after the Effective Time in respect of such Claim.

“Insured Securities-Related Claim” means that portion of a claim that is a Securities-Related Claim for which a Settlement Party is covered by insurance provided by one or more Insurers who are not Settlement Parties, only to the extent of such coverage and limited to the actual recovery received from such Insurer(s) by the Settlement Party (or by the Securities Claimant Trust pursuant to any Assigned Claim(s) against such Insurer(s)) after the Effective Time in respect of such claim.

“Insurer” means an insurer that has provided insurance with respect to any Securities-Related Matters (including with respect to a Securities Claim or Securities-Related Claim) to (i) a 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 (subject to the injunction and related treatment contemplated by this CCAA Plan and the CCAA Sanction Order in respect of any Unaffected Claims that are Channelled Claims);
- (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 the applicable counterparty under such agreement pursuant to the CCAA Plan or the CCAA Sanction Order.

“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 and Channelled 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 and Channelled 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 against such Person by any other Person that is not a Settlement

Party in relation to a Securities-Related Matter, including, for greater certainty, a Defence Costs Indemnity Claim.

“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 Channelled 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 **Certain Rules of Interpretation**

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 Channelled 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 Channelled 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 that are not Securities-Related Indemnity Claims, 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(1), that portion of a Claim that is an Insured Non-Securities Claim;
- (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;
- (i) any Defence Costs Indemnity Claim held by a Co-Defendant or other Person in respect of a Securities-Related Claim provided that such Defence Costs Indemnity Claim is otherwise valid and enforceable against CannTrust Holdings;
- (j) the portion of any Claim that is an Insured Securities Claim (but subject to the injunction and related treatment contemplated by this CCAA Plan and the CCAA Sanction Order in respect of such Insured Securities Claim);
- (k) Claims that cannot be compromised due to section 19(2) of the CCAA, except any Claims that are 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; and

- (l) 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 (if applicable) or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company (subject to the treatment of Insured Non-Securities Claims and Insured Securities Claims contemplated by this CCAA Plan and the CCAA Sanction Order).

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 Elmclyffe with Proven Claims that are General Unsecured Claims (Elmclyffe) 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:
- (a) all Securities Claims other than Insured Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred; and
 - (b) all Insured Securities Claims will be fully, finally, irrevocably and forever enjoined as against CannTrust Holdings and the other Released Parties, provided that nothing in this Section 3.5(1)(b) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties,
- and Securities Claimants with Securities Claims that are 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**

- (1) Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Non-Securities Claim will be irrevocably limited to recovery in respect of such Insured Non-Securities Claim solely from the proceeds of the applicable insurance policies received by the applicable CannTrust Plan Company, and any Person with an Insured Non-Securities 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(1) 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 Non-Securities Claim. Notwithstanding the forgoing, an Affected Claim that includes an Insured Non-Securities Claim may still receive a distribution in respect of the portion of the Affected Claim, if any, that is not an Insured Non-Securities Claim.
- (2) From and after the Effective Time, any Person having an Insured Securities Claim or Insured Securities-Related Claim will be irrevocably limited to recovery in respect of such Insured Securities Claim or Insured Securities-Related Claim solely by way of distributions from the Securities Claimant Trust pursuant to the Allocation and Distribution Scheme and, if applicable, by way of recovery against any Person that is not a Released Party. Any Person with an Insured Securities Claim or Insured Securities-Related Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recovery from any of the Released Parties, other than making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties. This Section 3.6(2) 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.

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 Channelled 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 Channelled Claim. In accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order, all Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged and barred or enjoined, as applicable, 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; 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 and confirm the injunction in respect of Insured Securities Claims and Insured Securities-Related Claims, in each case 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 **Litigation Cooperation of CannTrust Holdings**

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 4.2 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 or enjoined, as applicable, 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 Channelled Claims will be fully, finally, irrevocably and forever enjoined as against the applicable Settlement Parties and thereafter such claims may only be asserted against the Securities Claimant Trust or, if applicable, any Person who is not a Settlement Party, provided that nothing in this Section 4.6(f) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without

recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;

- (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 in respect of Unresolved General Unsecured Claims against CannTrust Opco, 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

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**

- (1) 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.
- (2) 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.
- (3) 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 Channelled 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, unless relating to a Channelled Claim, 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:
 - (a) to add such Co-Defendant or Insurer to the definition of Additional Settlement Party; and
 - (b) if the Additional Settlement Party is an Insurer, to treat the Insured Securities Claims and Insured Securities-Related Claims covered by such Insurer as Released Claims,

and cause the amendment to be filed and posted in accordance with Section 10.3(4).
- (4) If 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 in accordance with the applicable Additional RSA, then pursuant to the CCAA Plan and the CCAA Sanction Order:
 - (a) such Additional Settlement Party shall not be treated as a Released Party; and
 - (b) if the Additional Settlement Party is an Insurer, the Securities Claims and Securities-Related Claims covered by such Insurer shall continue to be treated as Insured Securities Claims and Insured Securities-Related Claims and shall not be treated as Released Claims,

until such Additional Settlement Party 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 in accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order.

7.3 **Injunctions**

- (1) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from:
 - (i) commencing, conducting, continuing or making in any manner, directly or indirectly,

any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Released Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Released Claims; (iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Released Claim if such other Person 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, unless such claim of such other Person is itself a Released Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property with respect to any and all Released Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims.

- (2) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, any judgment or other award obtained by a Securities Claimant or the Securities Claimant Trust in respect of any Securities-Related Claim against a Non-Settlement Party or other Person that is not a Released Party shall be reduced by the amount, if any, that the court or other tribunal adjudicating the Securities-Related Claim determines would have been recovered by such Non-Settlement Party or other Person pursuant to a Securities-Related Indemnity Claim held by it against a Released Party in respect of such Securities-Related Claim but for the release of such Securities-Related Indemnity Claim pursuant to the CCAA Plan or the CCAA Sanction Order, determined as of the moment before the Effective Time and, for greater certainty, taking into account (i) the Cash Contribution to be made by CannTrust Holdings to the Securities Claimant Trust and (ii) all other Securities-Related Indemnity Claims of other Non-Settlement Parties or other Persons participating in any recovery on a *pro rata* basis.
- (3) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all claims for contribution, indemnity or other claims over relating to the Released Claims, which were or could have been brought by a Settlement Party (including with respect to an Assigned Claim) against a Non-Settlement Party will be permanently and forever barred, estopped, stayed and enjoined.
- (4) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of Released Parties with respect to any and all Channelled Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Channelled Claims;

(iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Channelled Claim if such Person 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, unless such claim of such other Person is itself a Released Claim or Channelled Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims, provided that nothing in this Section 7.3(4) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not 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 (other than Insured Securities 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 from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Released Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Released Claims; (iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Released Claim if such other Person 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, unless such claim of such other Person is itself a Released Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property with respect to any and all Released Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims;

- (k) order that, from and after the Effective Time, any judgment or other award obtained by a Securities Claimant or the Securities Claimant Trust in respect of any Securities-Related Claim against a Non-Settlement Party or other Person that is not a Released Party shall be reduced by the amount, if any, that the court or other tribunal adjudicating the Securities-Related Claim determines would have been recovered by such Non-Settlement Party or other Person pursuant to a Securities-Related Indemnity Claim held by it against a Released Party in respect of such Securities-Related Claim but for the release of such Securities-Related Indemnity Claim pursuant to the CCAA Plan or the CCAA Sanction Order, determined as of the moment before the Effective Time and, for greater certainty, taking into account (i) the Cash Contribution to be made by CannTrust Holdings to the Securities Claimant Trust and (ii) all other Securities-Related Indemnity Claims of other Non-Settlement Parties or other Persons participating in any recovery on a *pro rata* basis;
- (l) order that, from and after the Effective Time, to the extent provided in the CCAA Sanction Order, all claims for contribution, indemnity or other claims over relating to the Released Claims, which were or could have been brought by a Settlement Party (including with respect to an Assigned Claim) against a Non-Settlement Party are permanently and forever barred, estopped, stayed and enjoined;
- (m) order that a Co-Defendant may, on motion to the applicable court in an Action to which a Settlement Party is a defendant, and on at least thirty (30) days' notice to counsel for the Settlement Party, and not to be brought unless and until the Action against the Co-Defendant has been certified and all appeals or times to appeal have been exhausted if such Action is a class proceeding, seek orders for the following, determined as if the Settlement Party remained a party to the Action:
 - (i) documentary discovery and an affidavit of documents from the Settlement Party in accordance with the *Rules of Civil Procedure*, RRO 1990, Reg. 1994;
 - (ii) oral discovery of the Settlement Party or a representative of the Settlement Party, as applicable, the transcript of which may be read in at trial;

- (iii) leave to serve a request to admit on the Settlement Party in respect of factual matters; and
 - (iv) the attendance of the Settlement Party, or the production of a representative of the Settlement Party, as applicable, to testify at trial, with such witness to be subject to cross-examination by counsel for the Co-Defendant;
- (n) order that each Person having a Channelled Claim will be limited to recovering from the Securities Claimant Trust in respect of such Channelled Claim in accordance with the CCAA Plan and Definitive Documents and, if applicable, from any Person who is not a Released Party, and such Person with a Channelled Claim will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Channelled Claim, provided that nothing in this Section 8.2(n) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;
- (o) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Channelled Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all a Channelled Claims; (iii) commencing, conducting, continuing or making against any other Person 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) that relates to a Channelled Claim if such Person 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, unless such claim of such other Person is itself a Released, Claim, Channelled Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims, provided that nothing in this Section 8.2(o) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;

- (p) 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;
- (q) 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;
- (r) 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;
- (s) 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;
- (t) 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.

- (u) 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;

- (v) declare that the stay of proceedings under the Initial Order continues until the Effective Time;
- (w) approve the conduct of the CRO and the Directors of each member of the CannTrust Group during the CCAA Proceedings;
- (x) 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
- (y) 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 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 (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 in accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order:

- (a) the treatment of Affected Claims, Released Claims and Channelled 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 (other than Insured Securities 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 Channelled 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 Channelled Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Channelled 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 Channelled Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Channelled 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 General Unsecured Creditors under the CCAA Plan as determined by the Monitor and, in the case of Securities Claimants, is in their financial or other interests as determined by the CCAA Representatives and is

consented to 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 16th day of April, 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 Elmclyffe 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.

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 § 501(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. As soon as reasonably practicable 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 CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. 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 Plan Companies 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 and Securities-Related Section 5.1(2) 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 or Securities-Related Section 5.1(2) 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 or the Securities-Related Section 5.1(2) 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. This 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:

SCHEDULE C
MEETING ORDER

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

THE HONOURABLE	)	FRIDAY, THE 16th
	)	
MR. JUSTICE HAINEY	)	DAY OF APRIL, 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 April 16, 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) authorizing Ernst & Young Inc. in its capacity as the monitor of the Applicants (the “**Monitor**”) to accept certain Late Claims (as defined below); and
- (h) sealing the CannTrust Business Overview (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 materials filed by the Applicants, the Monitor and certain respondents listed in **Schedule “G”** hereto (the “**Motion Materials**”) 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 Motion Materials 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 May 28, 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 affidavit of Greg Guyatt sworn April 9, 2021 (the “**Further Supplementary Guyatt Affidavit**”) as Exhibit “D” (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 Further Supplementary Guyatt Affidavit as Exhibit “F” (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 Further Supplementary Guyatt Affidavit as Exhibit “H” (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 May 21, 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 May 12, 2021.

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 May 17, 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 May 21, 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 May 25, 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 May 21, 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 May 25, 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. CONDUCT AT MEETINGS

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 Non-Securities Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Non-Securities 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 June 11, 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 of the Monitor dated March 15, 2021 and the Supplement to the Eighth Report of the Monitor dated April 12, 2021 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. SEALING

83. **THIS COURT ORDERS** that the "CannTrust Business Overview", a copy of which is attached as Confidential Exhibit "B" to the Supplementary Affidavit of Shoshana Israel sworn March 16, 2021, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

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.

A handwritten signature in blue ink, appearing to read "Haidy J.", is written over a horizontal line. The signature is cursive and fluid.

Schedule “A” – Form of Opco GUC Election Notice and Proxy

**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.**

PROXY AND ELECTION NOTICE

GENERAL UNSECURED CLAIMS AGAINST CANNTRUST INC.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

This form of proxy and Election Notice may only be filed by General Unsecured Creditors with a General Unsecured Claim against CannTrust Inc. that is a Proven Claim (each, an “Eligible Voting Creditor”).

VOTING BY PROXY

Any Eligible Voting Creditor who is not an individual may only attend and vote at the meeting of the class of General Unsecured Creditors holding General Unsecured Claims (Opco) (the “**Opco GUC Meeting**”) if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Mr. Alex Morrison of Ernst & Young Inc., in its capacity as
Monitor of the CannTrust Group, or a person designated by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Opco GUC Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling of the Opco GUC Meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and the Claims Procedure Order as follows:

To be completed by an Eligible Voting Creditor:

1. (mark one only):

- ☐ Vote **FOR** approval of the CCAA Plan; or
- ☐ Vote **AGAINST** approval of the CCAA Plan.

Important Note: If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the CCAA Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Opco GUC Meeting.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the CCAA Plan and to any other matters that may come before the Opco GUC Meeting or any adjournment, postponement or other rescheduling of the Opco GUC Meeting.

CONVENIENCE CREDITOR ELECTION

This Election may be completed by General Unsecured Creditors with General Unsecured Claims against CannTrust Inc. that are Proven Claims exceeding an aggregate of \$2,500 (the "**Election Amount**");

- ☐ THE UNDERSIGNED GENERAL UNSECURED CREDITOR hereby **ELECTS** to receive the Election Amount in respect of such Proven Claims.

Important Note: Pursuant to the CCAA Plan and the Meeting Order, General Unsecured Creditors with General Unsecured Claims against CannTrust Inc. that are Proven Claims not exceeding in aggregate the Election Amount will receive the actual amount of such Proven Claims pursuant to the Plan and are not entitled to make the election above (such Creditors, together with General Unsecured Creditors with General Unsecured Claims against CannTrust Inc. that are Proven Claims exceeding in aggregate the Election Amount who duly make the above Election in accordance with the CCAA Plan and the Meeting Order, a "**Convenience Creditor**").

Pursuant to the Meeting Order, any 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 Meeting either personally or by proxy.

If this Proxy is submitted by a General Unsecured Creditor with General Unsecured Claims against CannTrust Inc. that are Proven Claims exceeding in aggregate the Election Amount and the above box is not marked, such General Unsecured Creditor will be deemed to have not filed an Election Notice.

Notwithstanding any elections made pursuant to this Proxy, any and all distributions in respect of General Unsecured Claims shall be made subject to the terms (including, without limitation, any adjustments required pursuant to the CCAA Plan) and implementation of the CCAA Plan.

FILING DEADLINE

This proxy and Election Notice must be received by the Monitor by **no later than 5:00 p.m. (Toronto Time) on May 25, 2021 or three (3) Business Days prior to any adjournment** of the Opco GUC Meeting, 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.

Proxies may be sent to the Monitor by e-mail or, only where it is not possible for the Proxy to be sent by e-mail, by mail to the following e-mail address/mailling address:

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

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

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Schedule “B” – Form of Elmcliffe GUC Proxy

**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.**

PROXY

GENERAL UNSECURED CLAIMS AGAINST ELMCLIFFE INVESTMENTS INC.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

This form of proxy may only be filed by General Unsecured Creditors with a General Unsecured Claim against Elmcliffe Investments Inc. that is a Proven Claim (each, an “Eligible Voting Creditor”).

VOTING BY PROXY

Any Eligible Voting Creditor who is not an individual may only attend and vote at the meeting of the class of General Unsecured Creditors holding General Unsecured Claims (Elmcliffe) (the “**Elmcliffe GUC Meeting**”) if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Mr. Alex Morrison of Ernst & Young Inc., in its capacity as
Monitor of the CannTrust Group, or a person designated by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Elmcliffe GUC Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling of the Elmcliffe GUC Meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and the Claims Procedure Order as follows:

To be completed by an Eligible Voting Creditor:

3. (mark one only):

- ☐ Vote **FOR** approval of the CCAA Plan; or
- ☐ Vote **AGAINST** approval of the CCAA Plan.

Important Note: If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the CCAA Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Elmcliffe GUC Meeting.

- and -

4. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the CCAA Plan and to any other matters that may come before the Elmcliffe GUC Meeting or any adjournment, postponement or other rescheduling of the Elmcliffe GUC Meeting.

FILING DEADLINE

This proxy must be received by the Monitor by **no later than 5:00 p.m. (Toronto Time) on May 25, 2021 or three (3) Business Days prior to any adjournment** of the Elmcliffe GUC Meeting, 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.

Proxies may be sent to the Monitor by e-mail or, only where it is not possible for the Proxy to be sent by e-mail, by mail to the following e-mail address/ mailing address:

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

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

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Schedule “C” – Form of CannTrust Holdings GUC Proxy

**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.**

PROXY

GENERAL UNSECURED CLAIMS AGAINST CANNTRUST HOLDINGS INC.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

This form of proxy may only be filed by General Unsecured Creditors with a General Unsecured Claim against CannTrust Holdings Inc. that is a Proven Claim (each, an “Eligible Voting Creditor”).

VOTING BY PROXY

Any Eligible Voting Creditor who is not an individual may only attend and vote at the meeting of the class of General Unsecured Creditors holding General Unsecured Claims (CannTrust Holdings) (the “**CannTrust Holdings GUC Meeting**”) if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Mr. Alex Morrison of Ernst & Young Inc., in its capacity as
Monitor of the CannTrust Group, or a person designated by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the CannTrust Holdings GUC Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling of the CannTrust Holdings GUC Meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and the Claims Procedure Order as follows:

To be completed by an Eligible Voting Creditor:

5. (mark one only):

- ☐ Vote **FOR** approval of the CCAA Plan; or
- ☐ Vote **AGAINST** approval of the CCAA Plan.

Important Note: If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the CCAA Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the CannTrust Holdings GUC Meeting.

- and -

6. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the CCAA Plan and to any other matters that may come before the CannTrust Holdings GUC Meeting or any adjournment, postponement or other rescheduling of the CannTrust Holdings GUC Meeting.

FILING DEADLINE

This proxy must be received by the Monitor by **no later than 5:00 p.m. (Toronto Time) on May 25, 2021 or three (3) Business Days prior to any adjournment** of the CannTrust Holdings GUC Meeting, 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.

Proxies may be sent to the Monitor by e-mail or, only where it is not possible for the Proxy to be sent by e-mail, by mail to the following e-mail address/ mailing address:

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

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

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Schedule “D” – Form of Proof of Represented Securities Voting Claims

**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.**

PROOF OF REPRESENTED SECURITIES VOTING CLAIMS

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

The Meeting Order authorized and directed the CCAA Representatives to file a Proof of Represented Securities Voting Claims with respect to all Securities Claims held by all Securities Claimants other than Opt Out Securities Claimants.

The CCAA Representatives hereby file this Proof of Represented Securities Voting Claims for the purposes of voting on the CCAA Plan on behalf of _____ Securities Claimants which hold Securities Claims with an aggregate value of \$ _____.

The particulars of these Securities Claims and all relevant supporting documentation in respect of the number of Represented Securities Claimants and the value of the Securities Claims held by the Represented Securities Voting Claimants are attached hereto.

The Securities Claims should be denominated in the original currency of the Securities Claim. Where no currency is indicated, the Securities Claim will be presumed to be in Canadian Dollars. Any Securities Claims denominated in a foreign currency will be converted to Canadian Dollars based on the Bank of Canada’s daily average exchange rate for that currency against the Canadian Dollar on March 31, 2020.

This Proof of Represented Securities Voting Claims must be received by the Monitor by no later than 5:00 p.m. on May 17, 2021. Failure to file this Proof of Represented Securities Voting Claims by such time will result in you not being entitled to attend the Securities Claimant Meeting or vote on the CCAA Plan.

This Proof of Represented Securities Voting Claims may be sent to the Monitor by e-mail or, only where it is not possible to send by e-mail, by mail to the following e-mail address/mailling address:

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

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

[Remainder of page intentionally left blank]

Dated at _____ this _____ day of _____, 2021.

CCAA CANADIAN REPRESENTATIVES

Witness:

Patrick Hrusa
(as a CCAA Canadian Representative)

Witness:

Dharambir Singh
(as a CCAA Canadian Representative)

CCAA U.S. REPRESENTATIVES

Granite Point Master Fund, LP
(as a CCAA U.S. Representative)

**Granite Point Capital Scorpion Focussed
Ideas Fund**
(as a CCAA U.S. Representative)

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Schedule “E” – Form of Securities Claimant Opt Out Election

**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.**

SECURITIES CLAIMANT OPT OUT ELECTION

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

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. **If you do not object to the CCAA Representatives and CCAA Representative Counsel representing you with respect to your Securities Claims for voting purposes, you do not have to do anything. The CCAA Representatives and CCAA Representative Counsel will be authorized and directed to file a proof of claim and vote on the CCAA Plan with respect to your Securities Claims. 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 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@wfkllaw.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.

OPT OUT

☐ THE UNDERSIGNED SECURITIES CLAIMANT hereby opts out of representation by the CCAA Representatives and CCAA Representative Counsel for the purposes of voting at the Securities Claimant Meeting.

Important Note: The Securities Claimant understands that, by filing this Securities Claimant Opt Out Election, the Securities Claimant shall be an Opt Out Securities Claimant for the purposes of the Meeting Order. 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 May 17, 2021.

If this Election is submitted by a Securities Claimant and the above box is not marked, such Securities Claimant will be deemed to have not filed a Securities Claimant Opt Out Election.

FILING DEADLINE

This Securities Claimant Opt Out Election must be received by the Monitor **by no later than 5:00 p.m. on May 12, 2021.**

This Securities Claimant Opt Out Election may be sent to the Monitor by e-mail or, only where it is not possible to send by e-mail, by mail to the following e-mail address/ mailing address:

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

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

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

Print Name of Securities Claimant

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Securities Claimant or, if the Securities Claimant is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Securities Claimant or authorized signing officer

Mailing Address of Securities Claimant

E-mail Address of Securities Claimant

Print Name of Witness, if Securities Claimant is an individual

Schedule “F” – Form of Proof of Opt-Out Securities Voting Claims

**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.**

PROOF OF OPT-OUT SECURITIES VOTING CLAIM

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

This Proof of Opt-Out Securities Voting Claim may only be filed by (i) Excluded Securities Claimants (as defined in the CCAA Representation Order), or (ii) Securities Claimants that delivered a Securities Claimant Opt Out Election to the Monitor such that it was received by the Monitor by no later than 5:00 p.m. on May 12, 2021 (each, an “**Opt Out Securities Claimant**”).

A Securities Claim is defined in the CCAA Plan as including any Claim against CannTrust Holdings Inc. that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings Inc. 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 March 31, 2020 of an equity interest (as defined in the CCAA) in CannTrust Holdings Inc. other than a Securities-Related Indemnity Claim.

A. PARTICULARS OF OPT OUT SECURITIES CLAIMANT

Full Legal Name of Opt Out Securities Claimant:

_____ (the “Claimant”)

Attention (Contact Person): _____

E-mail Address: _____

Telephone Number: _____

Full Mailing Address of the Claimant:

B. PROOF OF SECURITIES CLAIM

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

as _____ (state position of title, if applicable)

of _____ (city and province/state), do hereby certify:

- a. that I have knowledge of all of the circumstances connected with the Securities Claim referred to below; and
- b. that I have a Securities Claim against CannTrust Holdings Inc. arising prior to March 31, 2020 in the aggregate amount of:

\$ _____ (amount and currency)

The Securities Claim should be denominated in the original currency of the Securities Claim. Where no currency is indicated, the Securities Claim will be presumed to be in Canadian Dollars. Any Securities Claims denominated in a foreign currency will be converted to Canadian Dollars based on the Bank of Canada's daily average exchange rate for that currency against the Canadian Dollar on March 31, 2020.

C. PARTICULARS OF SECURITIES VOTING CLAIM AND DOCUMENTATION

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

Provide all particulars of the Securities Claim including the quantity and price of all transactions involving shares or other equity interests of CannTrust Holdings Inc. on or before March 31, 2020 and any other transaction(s) or agreement(s) giving rise to the Securities Claim and all supporting documentation including share certificates, trading account statements, transaction histories or other documentation acceptable to the Monitor.

This Proof of Opt Out Securities Voting Claim must be received by the Monitor by no later than 5:00 p.m. on May 17, 2021. Failure to file this Proof of Opt Out Securities Voting Claim by such time will result in you not being entitled to attend the Securities Claimant Meeting or vote on the CCAA Plan.

This Proof of Opt Out Securities Voting Claim may be sent to the Monitor by e-mail or, only where it is not possible to send by e-mail, by mail to the following e-mail address/mailling address:

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

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

[Remainder of page intentionally left blank]

Dated at _____ this _____ day of _____, 2021.

Print Name of Securities Claimant

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Securities Claimant or, if the Securities Claimant is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Print Name of Witness, if Securities Claimant is an individual

Schedule “F” – Form of Opt Out Securities Claimant Proxy

**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.**

PROXY

OPT OUT SECURITIES CLAIMANTS

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and reorganization (as may be amended, restated or supplemented from time to time, the “**CCAA Plan**”) of CannTrust Holdings Inc., CannTrust Inc. and Elmclyffe Investments Inc. (the “**CannTrust Plan Companies**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the *Business Corporations Act* (Ontario) or if not defined in the CCAA Plan then as defined in the Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 16, 2021 in respect of the meetings of Affected Creditors (the “**Meeting Order**”).

This form of proxy may only be filed by Opt Out Securities Claimants with Securities Claims that have been accepted in accordance with the Meeting Order for purposes of voting on the CCAA Plan (each, an “**Eligible Voting Creditor**”).

VOTING BY PROXY

Any Eligible Voting Creditor who is not an individual may only attend and vote at the meeting of the class of Creditors holding Securities Claims (the “**Securities Claimant Meeting**”) if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Mr. Alex Morrison of Ernst & Young Inc., in its capacity as
Monitor of the CannTrust Group, or a person designated by him

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Securities Claimant Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling of the Securities Claimant Meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order as follows:

To be completed by an Eligible Voting Creditor:

7. (mark one only):

- ☐ Vote **FOR** approval of the CCAA Plan; or
- ☐ Vote **AGAINST** approval of the CCAA Plan.

Important Note: If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Securities Claimant Meeting.

- and -

8. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the CCAA Plan and to any other matters that may come before the Securities Claimant Meeting or any adjournment, postponement or other rescheduling of the Securities Claimant Meeting.

FILING DEADLINE

This proxy must be received by the Monitor by **no later than 5:00 p.m. (Toronto Time) on May 25, 2021 or three (3) Business Days prior to any adjournment** of the Securities Claimant Meeting, 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.

Proxies may be sent to the Monitor by e-mail or, only where it is not possible for the Proxy to be sent by e-mail, by mail to the following e-mail address/ mailing address:

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

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

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

Schedule “G” – Motion Materials

Applicants

1. Motion Record of the Applicants dated March 5, 2021, containing:
 - a. Affidavit of Greg Guyatt, sworn March 5, 2021
2. Supplementary Motion Record of the Applicants dated March 13, 2021, containing:
 - a. Affidavit of Greg Guyatt, sworn March 13, 2021
3. Further Supplementary Motion Record of the Applicants dated April 9, 2021, containing:
 - a. Affidavit of Greg Guyatt, sworn April 9, 2021

Respondents

4. Responding Record of Eric Paul dated March 11, 2021, containing:
 - a. Affidavit of Susan Bartlett, sworn March 11, 2021
5. Responding Record of the Underwriters dated March 11, 2021, containing:
 - a. Affidavit of Shoshana Israel, sworn March 11, 2021
6. Supplementary Responding Record of the Underwriters dated March 16, 2021, containing:
 - a. Supplementary Affidavit of Shoshana Israel, sworn March 16, 2021
7. Responding Record of Mark Litwin, Fred Litwin and Stanley Abramowitz dated March 11, 2021, containing:
 - a. Affidavit of Jocelyn Kemp, sworn March 11, 2021
8. Supplementary Responding Record of Mark Litwin, Fred Litwin and Stanley Abramowitz dated March 16, 2021, containing:
 - a. Supplementary Affidavit of Jocelyn Kemp, sworn March 16, 2021
9. Responding Record of Ian Abramowitz dated March 11, 2021, containing:
 - a. Affidavit of Eun Ji Yoon, sworn March 11, 2021
10. Responding Record of Peter Aceto dated March 12, 2021, containing:
 - a. Affidavit of Jonathan Preece, sworn March 12, 2021
11. Responding Record of KPMG LLP dated March 17, 2021, containing:
 - a. Affidavit of Maria Farache, sworn March 17, 2021

12. Supplementary Responding Record of KPMG LLP dated April 14, 2021, containing:

a. Affidavit of Natalina Arvaji, sworn April 14, 2021

Monitor

13. Eighth Report of the Monitor dated March 15, 2021

14. Supplement to the Eighth Report of the Monitor dated April 12, 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. ET AL.

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

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

Proceeding Commenced at Toronto

MEETING ORDER

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6
Fax: 416-868-0673

James Gage LSO#: 34676I
Tel: 416-601-7539
Email: jgage@mccarthy.ca

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

Trevor Courtis LSO#: 67715A
Tel: 416-601-7643
Email: tcourtis@mccarthy.ca

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

Lawyers for the Applicants

SCHEDULE D
LIQUIDATION ANALYSIS

CannTrust Group Summary

Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of April 30, 2021

Claim Amount		High Realization Estimate		Low Realization Estimate	
		%	Amount	%	Amount
Secured claims *					
CTI Holdings (Osoyoos) Inc.	\$ -	N/A	\$ -	N/A	\$ -
Elmcliffe Investments Inc.	-	N/A	-	N/A	-
CannTrust Inc.	101,439	0%	-	0%	-
CannTrust Holdings Inc.	=	N/A	-	N/A	-
Secured Claims	\$ 101,439		\$ -		\$ -
Unsecured claims *					
CTI Holdings (Osoyoos) Inc.	\$ -	0%	\$ -	0%	\$ -
Elmcliffe Investments Inc.	400,000	100%	400,000	100%	400,000
CannTrust Inc.	1,689,517	0%	-	0%	-
CannTrust Holdings Inc.	411,316	100%	411,316	100%	411,316
Total Unsecured Claims	\$ 2,500,833		\$ 811,316		\$ 811,316
Total Creditor Claims *	\$ 2,602,272				
Total Estimated Funds Available at Holdings after Payment of Pre-Filing Claims			\$ 106,597,933		\$ 87,922,356

* Excludes Intercompany Claims Between the Applicants

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

Introduction

Ernst & Young Inc., in its capacity as the court-appointed monitor (the “**Monitor**”) of CannTrust Holdings Inc. (“**CannTrust Holdings**”), CannTrust Inc. (“**CannTrust Opco**”), CTI Holdings (Osoyoos) Inc., (“**CTI**”) and Elmcliffe Investments Inc. (“**Elmcliffe**”) (collectively, the “**CannTrust Group**”), with the assistance of the CannTrust Group, has prepared this illustrative analysis of a forecast hypothetical liquidation of the assets of the CannTrust Group as of April 30, 2021 (“the “**Hypothetical Liquidation Date**”) in connection with the plan of compromise, arrangement and reorganization of CannTrust Holdings, CannTrust Opco and Elmcliffe (the “**CannTrust Plan Companies**”) to be dated March 19, 2021 (the “**CCAA Plan**”), which is assumed to be considered at meetings of the creditors of the CannTrust Plan Companies on April 30, 2021, subject to the Ontario Superior Court of Justice (Commercial List) granting the requested order to call the meetings.

The “**Liquidation Analysis**” provides an estimate of the realizable value of the CannTrust Group’s assets in a liquidation and the resulting distribution to creditors in accordance with their respective priorities in the context of a liquidation as opposed to the implementation of the CCAA Plan. As the CCAA Plan contemplates separate classes for each of the CannTrust Plan Companies, the liquidations analysis was performed separately for each entity, as well as for CTI.

Disclaimer

In preparing this Liquidation Analysis, the Monitor has relied upon unaudited financial information, books and records prepared by the CannTrust Group, discussions with management of the CannTrust Group, and information from other third-party sources (collectively, the “**Information**”). The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. The Liquidation Analysis includes estimates concerning the operations of the CannTrust Group and additional assumptions discussed below with respect to the requirements and impact of a liquidation. These assumptions are based on input from the CannTrust Group, and estimates based on previously experience of the Monitor, and Information provided and available at a point in time. These assumptions can vary widely from actual occurrences and such variation may be material. Since the Liquidation Analysis is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved in either liquidation scenarios will vary from the Liquidation Analysis, even if the assumptions materialize, and such variation may be material. There is no

representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

General Assumptions

The Liquidation Analysis assumes the liquidation process commences on or shortly after the Hypothetical Liquidation Date under one of two underlying scenarios. The purpose of considering the two scenarios is to illustrate a range of potential net realizations based on varied overall assumptions guiding a hypothetical liquidation.

First, the low estimate of realizable value in liquidation (the “**Low Realization Estimate**”) contemplates a complete and immediate cessation of the CannTrust Group’s operations where all cannabis production is ceased, all employees that are non-core to the liquidation are terminated immediately and the process for destruction of all cannabis inventory (except inventory with a purchase order) and decommissioning the facility and the CannTrust Group’s Cannabis Licenses commences on the Hypothetical Liquidation Date. An abrupt cessation of operations, which would significantly reduce the value realized on cannabis inventory and wind-down of all business functions, is estimated to take one month. The tangible assets of the CannTrust Group, including production equipment and other machinery, are assumed to be sold within two months after the wind-down of operations. Land and buildings, which consist of the facility located at 1396 Balfour Street in Pelham, Ontario (the “**Fenwick Facility**”) and various acreage parcels in Osoyoos and Oliver, British Columbia (the “**Osoyoos Lands**”) are assumed to require two months to market and sell after the Hypothetical Liquidation Date and one month to close. Overall, the entire wind-down and liquidation process in the Low Realization Estimate is estimated to take until July 30, 2021.

Second, the high estimate of realizable value in a liquidation (the “**High Realization Estimate**”) assumes the CannTrust Group wind down their operations in an orderly fashion by completing the post-harvest processing of cannabis into bulk form, making arrangements to complete any open orders in a reasonable timeframe, and liquidate the remaining cannabis inventory at market prices through bulk sales. As such, an orderly wind-down ending June 30, 2021 is anticipated to maximize the realization on working capital assets. This will include finalizing the cultivation of the cannabis that is in progress and any additional cannabis cultivated that is not used to fulfill orders will be destroyed. Following the wind-down of operations, the tangible assets are assumed to be sold within a further period of three months reflecting a more fulsome marketing process resulting in an improvement to the expected realizable value. Land and buildings, which will consist of the Fenwick Facility and the Osoyoos Lands, are assumed to require two months to sell in the High Realization Estimate and one month to close. Overall, the entire wind-down and liquidation process in the High Realization Estimate is estimated to take until September 30, 2021.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

The assets of the CannTrust Group are assumed to be liquidated while continuing under the existing CCAA proceedings.

Certain Tax Matters

The Liquidation Analysis does not consider other tax consequences in Canada that may be triggered as a result of a liquidation with the exception of the Fenwick Facility and the Osoyoos Lands, as many of the assets would be sold for less than book value. Therefore, it is assumed that the capital losses would offset any potential capital gains on assets that have appreciated in value. While such tax consequences may be material, the inclusion of the tax consequences could further reduce the amounts available for distribution.

Book Value

The Monitor has prepared this analysis based on the best current information available. The book value of assets is based on the accounting records of each member of the CannTrust Group as of January 31, 2021, which have been rolled forward to forecast April 30, 2021 book value balances based on the CannTrust Group's projections.

CTI Holdings (Osoyoos) Inc. Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of April 30, 2021

			High Realization Estimate		Low Realization Estimate	
CTI Holdings (Osoyoos) Inc. - Asset Realizations	Book Value	Notes	%	Amount	%	Amount
Property, Plant and Equipment	\$ 5,099,097	1	106%	\$ 5,415,000	75%	\$ 3,819,000
Total Proceeds	\$ 5,099,097			\$ 5,415,000		\$ 3,819,000
Liquidation Costs				Amount		Amount
Professional Fees		2		\$ (184,000)		\$ (109,400)
Cost to Wind Down Operations		3		(6,100)		(3,900)
Total Liquidation Costs				\$ (190,100)		\$ (113,300)
Net Proceeds Available for Distribution				\$ 5,224,900		\$ 3,705,700
CTI Holdings (Osoyoos) Inc. Creditor Distributions	Claim Value		Distribution		Distribution	
Secured Claims	\$ -			\$ -		\$ -
Unsecured Claims						
General Unsecured Claims	\$ -			\$ -		\$ -
Pre-Filing Intercompany Claim of CannTrust Inc.	5,099,076	4	REF A	5,099,076	REF A	3,705,700
			Page 11		Page 11	
Total unsecured claims	\$ 5,099,076			\$ 5,099,076		\$ 3,705,700
Percentage Distribution to Unsecured Creditors				100.0%		72.7%
Equity Value Assumed to be Distributed to CannTrust Inc.		5	REF B	\$ 125,824	REF B	\$ -
			Page 11		Page 11	

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

CTI is a wholly owned subsidiary of CannTrust Opco and owns the Osoyoos Lands, which it acquired in March 2019. There are no operational activities within this company.

Asset Realization Assumptions for CTI Holdings (Osoyoos) Inc.

Note 1: Property Plant and Equipment

CTI, which is wholly owned by CannTrust Opco, owns the Osoyoos Lands. The properties consist of agricultural undeveloped land with no structural improvements that contribute significant value. The Liquidation Analysis assumes the land is sold after being marketed for two months for proceeds based on an appraisal commissioned by the CannTrust Group with a High Realization Estimate of 100% and a Low Realization Estimate of 85% of its appraised value less closing costs of 5%. Estimated closing costs include real estate broker commissions, property taxes, etc.

Note 2: Professional Fees

Professional fees include estimates of the fees and expenses of the Monitor and legal advisors retained by the Monitor and the CannTrust Group. In the Low Realization Estimate, it is expected to take three months to complete the liquidation process, and in the High Realization Estimate, it is expected to take five months. Professional fees are allocated to the various members of the CannTrust Group on the following basis:

CTI	Elmcliffe	CannTrust Holdings	CannTrust Opco
10%	10%	30%	50%

Note 3: Cost to Wind Down Operations

The Low Realization Estimate does not contemplate a continuation of the CannTrust Group's operations past the Hypothetical Liquidation Date. The cost of the wind-down of the CannTrust Group's operations over a two-month period assumed in the High Realization Estimate is based on the minimum operating costs for compensation, operations, information technology, SG&A and utilities. Wind-down costs also include the cost to decommission the CannTrust Group's facilities including costs to remove or disassemble equipment for resale or removal.

Total wind-down costs are expected to range between \$2.5 million and \$4.6 million which has been allotted to the CannTrust Group based on the underlying cost categories. This results in

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

different blended rates for the Low and the High Realization Estimates based on different tasks required.

Low				High			
CTI	Elmcliffe	CannTrust Holdings	CannTrust Opco	CTI	Elmcliffe	CannTrust Holdings	CannTrust Opco
0.2%	22.9%	0.8%	76.1%	0.1%	34.1%	0.7%	65.1%

Note 4: Pre-Filing Intercompany Claims

There are no claims that have been filed against CTI, other than CannTrust Opco having a pre-filing intercompany claim against CTI. Therefore, any net proceeds from CTI assets will first be used to satisfy this claim. See CannTrust Opco Liquidation Analysis for corresponding realization on page 11.

Note 5: Equity value assumed to be distributed to CannTrust Opco

CannTrust Opco is the 100% shareholder of CTI, therefore it is assumed to receive the residual value in the CTI estate once all claims are satisfied, either through a dividend or a share repurchase. No tax considerations have been considered related to the surplus remaining in the CTI estate, which could impact the amount distributed by CTI.

See CannTrust Opco Liquidation Analysis for corresponding equity realization receipt on page 11.

Elmcliffe Investments Inc.

Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of April 30, 2021			High Realization Estimate		Low Realization Estimate	
Elmcliffe Investments Inc. - Asset Realizations	Book Value	Notes	%	Amount	%	Amount
Cash	\$ 15,706	1	100%	\$ 15,706	100%	\$ 15,706
Property, Plant and Equipment	2,713,499	2	1097%	29,760,000	658%	17,852,338
Total Proceeds	\$ 2,729,205			\$ 29,775,706		\$ 17,868,044
Net Amount Available for Distribution				\$ 29,775,706		\$ 17,868,044
Liquidation Costs				Amount		Amount
Professional Fees		3		\$ (184,000)		\$ (109,400)
Cost to Wind Down Operations		4		(1,583,250)		(576,750)
Total Liquidation Costs				\$ (1,767,250)		\$ (686,150)
Net Proceeds Available for Distribution				\$ 28,008,456		\$ 17,181,894
Elmcliffe Investments Inc. Creditor Distributions	Claim Value		Distribution		Distribution	
Secured	\$ -			\$ -		\$ -
Unsecured Claims						
General Unsecured Claims	\$ 400,000			\$ 400,000		\$ 400,000
Pre-Filing Intercompany Claim of CannTrust Holdings Inc.	4,318,614	5	REF D Page 19	4,318,614	REF D Page 19	4,318,614
Pre-Filing Intercompany Claim of CannTrust Inc.	2,661,589	5	REF E Page 11	2,661,589	REF E Page 11	2,661,589
Total Unsecured Claims	\$ 7,380,203			\$ 7,380,203		\$ 7,380,203
Percentage Distribution to Unsecured Creditors				100.0%		100.0%
Equity Value Assumed to be Distributed to CannTrust Inc.		6	REF F Page 11	\$ 20,628,253	REF F Page 11	\$ 9,801,691

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

Elmcliffe is a wholly owned subsidiary of CannTrust Opco. Elmcliffe owns the Fenwick Facility and has no operating activities.

Asset Realization Assumptions for Elmcliffe Investments Inc.

Note 1: Cash

Book value for cash has been forecast at April 30, 2021 based on the most recent Cash Flow Forecast. The Liquidation Analysis assumes the unrestricted cash is fully recovered through the liquidation process in both the High and Low Realization Estimates.

Note 2: Property Plant and Equipment

Elmcliffe, a wholly owned subsidiary of CannTrust Opco, owns the Fenwick Facility, which is a licensed production facility located in Pelham, Ontario. Capitalized improvements made to the facility for cannabis operations are owned by CannTrust Opco. For the purpose of the Liquidation Analysis, the property has been assumed to be sold “As-is” and based on probable best use. The Liquidation Analysis assumes the owned land, greenhouse and buildings are sold after being marketed for two months for proceeds based on an appraisal commissioned by the CannTrust Group with a High Realization Estimate of 100% and a Low Realization Estimate of 85% of its appraised value less closing costs of 7%. Estimated closing costs include real estate broker commissions, property taxes, etc.

It is assumed that the proceeds of sale of the real property would be allotted fully to Elmcliffe and no value will be allotted to CannTrust Opco for any leasehold improvements or other capitalized assets related to the property. In the Low Realization Estimate, there will be capital gains on the sale of the Fenwick Facility, while the High Realization Estimate assumes these capital gains are offset by losses in the other members of the CannTrust Group through possible tax strategies.

Note 3: Professional Fees

Refer to Note 2 in CTI’s Liquidation Analysis.

Note 4: Cost to Wind Down Operations

Refer to Note 3 in CTI’s Liquidation Analysis.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

Note 5: Pre-Filing Intercompany Claims

CannTrust Opco and CannTrust Holdings both have pre-filing unsecured intercompany claims against Elmcliffe. Therefore, any unsecured creditor distributions from the net proceeds of Elmcliffe assets for these unsecured claims will be an additional recoverable asset for each of CannTrust Opco and CannTrust Holdings. See CannTrust Opco and CannTrust Holdings Liquidation Analysis for corresponding realization on pages 11 and 19 respectively.

Note 6: Equity Value Assumed to be Distributed to CannTrust Opco

CannTrust Opco is the 100% shareholder of Elmcliffe. Therefore, it would receive the benefit of any net surplus recoveries after satisfying all the secured and unsecured claims via dividend or capital repurchase. See CannTrust Opco Liquidation Analysis on page 11 for corresponding net assumed recovery of shares held by CannTrust Opco in Elmcliffe.

CannTrust Inc.

Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of April 30, 2021

CannTrust Inc. - Asset Realizations			High Realization Estimate		Low Realization Estimate	
	Book Value	Note	%	Amount	%	Amount
Cash	\$ 1,189,026	1	100%	\$ 1,189,026	100%	\$ 1,189,026
Short Term Investments	152,303	2	95%	144,688	90%	137,073
Accounts Receivable	361,813	3	80%	289,450	60%	217,088
Prepaid Expense	4,922,151	4	3%	128,968	2%	82,131
HST Recoverable	3,464,427	5	92%	3,199,798	83%	2,879,818
Restricted Cash	200,000	6	0%	-	0%	-
Inventory	10,517,586	7	28%	2,897,562	7%	718,459
Biological Asset	217,400	8	0%	-	0%	-
Right-of-Use Assets	35,640,771	9	0%	-	0%	-
Financial Assets	761,054	10	0%	-	0%	-
Property, Plant and Equipment	41,615,748	11	17%	7,192,108	9%	3,916,063
Investments	6,006,207	12	50%	3,000,000	50%	3,000,000
Equity in Elmcliffe Investments Inc.	20,628,253	13	REF F Page 8	20,628,253	REF F Page 8	9,801,691
Equity in CTI Holdings (OSOYOOS) Inc.	125,824	13	REF B Page 5	125,824	REF B Page 5	-
Payment of Pre-Filing Intercompany Claim by Elmcliffe Investments Inc.	2,661,589	14	REF E Page 8	2,661,589	REF E Page 8	2,661,589
Payment of Pre-Filing Intercompany Claim by CTI Holdings (OSOYOOS) Inc.	5,099,076	14	REF A Page 5	5,099,076	REF A Page 5	3,705,700
Total Proceeds	\$ 133,563,228			\$ 46,556,342		\$ 28,308,638
Liquidation Costs			Amount		Amount	
Payment of Post-Filing Accounts Payable		15	\$	(3,309,000)	\$	(3,309,000)
Professional Fees		16		(920,000)		(547,000)
Cost to Wind Down Operations		17		(3,024,233)		(1,917,154)
Total Liquidation Costs			\$	(7,253,233)	\$	(5,773,154)

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

CannTrust Inc.

Illustrative Analysis of Hypothetical Liquidation (continued)

Post-Filing Obligations			Amount		Amount	
Settlement of Post-Filing Obligations owed to CannTrust Holdings Inc.	(53,000,000)	18	REF G Page 19	(39,303,109)	REF G Page 19	(22,535,484)
Net Amount Available for Distribution			\$ -		\$ -	
CannTrust Inc. Creditor Distributions			Claim Value		Distribution	
Secured Claims	101,439	19				
Secured Pre-Filing Intercompany Claim of CannTrust Holdings Inc.	241,717,044	19	REF I Page 19	-	REF I Page 19	-
Accepted General Unsecured claims	1,689,517					
Total Unsecured	<u>1,689,517</u>					
Percentage Distribution to Unsecured Creditors						
Reserve for Unresolved Claims	\$ 61,062,525	20				

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

CannTrust Opco is a wholly owned subsidiary of CannTrust Holdings. CannTrust Opco is a licensed producer of cannabis in Canada and all revenue and expenses related to the CannTrust Group's cannabis operations run through CannTrust Opco. CannTrust Opco is the parent company of Elmcliffe, Elmcliffe [No. 2] Investment Inc., and CTI. CannTrust Opco also has equity interests in Cannatrek Ltd., Grey Wolf Animal Health Inc. and O Cannabis We Stand On Guard For Thee Ltd.

Asset Realization Assumptions for CannTrust Inc.

Note 1: Cash

Book value for cash has been forecast at April 30, 2021 based on the most recent Cash Flow Forecast. The Liquidation Analysis assumes the unrestricted cash is fully recovered through the liquidation process in both the High and Low Realization Estimates.

Note 2: Short-Term Investments

The short-term investments consist of GICs held as collateral for the credit card processing company. It is assumed that this GIC could be easily liquidated with nominal fees for early redemption and will be used for potential customer chargebacks. Accordingly, the Low Realization Estimate assumes 10% of collateral will be used to cover chargebacks by the customers and the High Realization Estimate assumes 5% of the collateral will be used.

Note 3: Accounts Receivable

CannTrust Opco is the CannTrust Group's only operating entity. Customers are mainly medical consumers, other licensed producers and provincial cannabis distributors operated by government agencies. All medical consumers pay in advance therefore there is no accounts receivable for these types of customers. While the provinces typically have low non-collection risk, they are able to return products and initiate price adjustments. Therefore, based on these factors, the analysis assumes that the Accounts Receivable recovery will be 80% in a High Realization Estimate and 60% in a Low Realization Estimate.

Note 4: Prepaid Expense

CannTrust Opco's prepaid expenses consist of deposits and retainers for future purchases, custom equipment, construction, rent, software licenses and long-term commitments. It has been assumed that vendor and security deposits will be utilized to satisfy unpaid invoices and penalty clauses for early termination. Retainers for professional service fees may be returned if

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

amounts are not owed by the CannTrust Group, therefore, the blended rate of recovery estimated is 3% in the Low Realization Estimate and 2% in the High Realization Estimate.

Note 5: HST Recoverable

CannTrust Opco is in an HST refund position with the CRA from claiming input tax credits (“ITCs”) relating to HST paid on purchases and expenses for commercial activities. As a result of unpaid pre-filing balances that would be set off against these refunds, CannTrust Opco estimates a portion of the HST refunds would likely not be recoverable from CRA.

Note 6: Restricted Cash

CannTrust Opco holds a \$200,000 letter of credit held as a security deposit for rental of the office space and processing facility at 3280 Langstaff Road in Vaughan, Ontario (the “**Vaughan Facility**”). It is assumed that this amount would be used to pay for the necessary time to occupy during the wind-down process.

Note 7: Inventory

CannTrust Opco’s inventory includes cannabis products, as well as production materials and cannabis accessories. The cannabis products are at various stages of production from plants that are currently drying to finished packaged product. The formats include dry flower, pre-roll, oil, and capsule. Production materials and cannabis accessories consist of the inputs to grow cannabis, bottles, packages cones, vapes and labels.

The Low Realization Estimate assumes immediate cessation of operations and therefore:

- all bulk cannabis inventory is destroyed;
- cultivation material has no recovery value;
- packaged products that are not already allocated to an existing wholesale or medical purchaser is destroyed;
- Packaging and accessories will have limited resale value of 5% and 10% for vapes;
- Provinces cancel all outstanding orders; and
- 20% of bulk dry cannabis products are sold at a market rate of \$0.20/gram and oil at \$0.13/gram.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

The High Realization Estimate allows additional time to wind down the operations. Therefore, it is assumed the sales team will continue to market the more recently finished goods with higher potency into the recreational and medical markets during that period, while simultaneously destroying the older and lower quality products. The High Realization Estimate assumes a 40% realization of the more recent batches of higher potency bulk cannabis at \$0.75/gram. It assumes the recovery on the packaging material and vapes are 10% and 20%, respectively. It is assumed that the provinces will continue to purchase for three more weeks at a similar rate as estimated in the most recent Cash Flow Forecast.

Note 8: Biological Assets

The estimates related to biological assets are based based on the projected net realizable value of the plant biomass from seedlings to plants prior to harvest. We have assumed that the all biological assets as at January 31, 2021 will become inventory according to their estimated harvest dates. In a liquidation, CannTrust Opco will not complete any cultivation or harvesting of any plants due to the required time and costs to do so and uncertainty of revenue, therefore, all plants would likely be destroyed.

Note 9: Right of Use Assets

CannTrust Opco has right of use assets for a co-generation lease which is specific to the building in the Fenwick Property, and a small amount for several vehicle leases. As the co-generation equipment is tied with a long-term contract obligation, it is assumed that it would not hold value outside of any sale of the property. The vehicles would also be returned to the lessor due to cancellation of the lease. As such, it is estimated that there would be no recoverable standalone value.

Note 10: Financial Assets

CannTrust Opco hold warrants in an affiliated company. It is assumed that these warrants will have no value at the Liquidation Date as they are currently out-of-the-money.

Note 11: Property, Plant and Equipment

CannTrust Opco operates the Fenwick Facility which is owned by Elmcliffe. Capitalized improvements made to the facility in order to facilitate a cannabis operation are owned and recorded by CannTrust Opco. The proceeds of sale of the Fenwick Facility for the purpose of the Liquidation Analysis are assumed to be fully allotted to Elmcliffe and no value will be allotted to CannTrust Opco for any leasehold improvements or other capitalized assets related to the property as it is assumed that these items will have little value to a non-cannabis purchaser of the Fenwick Facility.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

The Fenwick and Vaughan Facilities also contain extraction, lab and production equipment, and other machinery, which are owned by CannTrust Opco and reflected in its accounting records. The valuation of the Fenwick Facility real estate assumes that it would likely be purchased as an agricultural facility due to the current uncertain economic conditions surrounding the cannabis industry. Accordingly, it is assumed that a real estate purchaser would not place significant value on the production equipment.

Recoverable values are based on discussions with auctioneers and previous experience of liquidation of similar assets in order to arrive at the discounted percentages for a Net Orderly Liquidation Value in the High Realization Estimate scenario and a Net Forced Liquidation Value in the Low Realization Estimate scenario.

Note 12: Investments

CannTrust Opco has investments in Cannatrek Ltd., Grey Wolf Animal Health Inc. and O Cannabis We Stand On Guard For Thee Ltd. These are all private companies and CannTrust Opco does not have a controlling interest in any of these investments. When estimating the value of the investments in a liquidation scenario, consideration needs to be made with respect to the shareholders' agreements which will dictate how CannTrust Opco may be able to redeem the shares. In both the High Realization Estimate and the Low Realization Estimates, it is assumed that these investments will have minimal realizable value.

In addition, Elmcliffe Investments [No. 2] Inc. is a wholly owned subsidiary of CannTrust Opco whose sole purpose is to hold shares in Meta Growth Corp, which was acquired by High Tide Inc. Although Elmcliffe Investments [No. 2] Inc. is not an applicant in the CCAA proceedings, any cash from the sale of the interest in High Tide Inc. is expected to flow through to CannTrust Opco as the sole shareholder of Elmcliffe Investments [No. 2] Inc. No tax impact is included given the proceeds of sale are expected to be lower than cost.

Note 13: Equity from Elmcliffe and CTI

CannTrust Opco is the 100% shareholder of Elmcliffe and CTI. Therefore, it would receive any value of equity remaining after Elmcliffe and CTI settle all of their creditor claims. Refer to CTI and Elmcliffe Liquidation Analysis on pages 5 and 8 respectively.

Note 14: Pre-Filing Intercompany Claims

Opco has pre-filing unsecured intercompany claims owed to it by Elmcliffe and CTI for pre-filing intercompany advances. It is assumed for the purpose of the Liquidation Analysis, that CannTrust Opco will share on a pro rata basis with the other unsecured creditors in any

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

distributions from Elmclyffe and CTI. Refer to CTI and Elmclyffe Liquidation Analysis on pages 5 and 8 respectively.

Note 15: Payment of Post-Filing Accounts Payable

It is assumed that CannTrust Opco would have one month's worth of post-filing operating expenses in Accounts Payable to be paid in the following month. The amount is estimated based on the current spending rates in the most recent Cash Flow Forecast. Payment terms are net 30.

Note 16: Professional Fees

Refer to Note 2 in CTI's Liquidation Analysis.

Note 17: Cost to Wind Down Operations

Refer to Note 3 in CTI's Liquidation Analysis.

Note 18: Recovery of Post-Filing Advances made to Affiliates

During the period of March 31, 2020 to the Hypothetical Liquidation Date of April 30, 2021, the CannTrust Group has participated in inter-group cash advances as some members of the CannTrust Group are not cash flow positive. Pursuant to the Amended and Restated Initial Order dated March 31, 2020, the post-filing intercompany advances by CannTrust Holdings to CannTrust Opco, Elmclyffe and CTI are secured by a court-ordered charge on the assets of the intercompany borrowers. It is assumed that the post-filing intercompany transactions will be settled by the proceeds from sale of assets prior to distribution of any additional net proceeds to the pre-filing creditors. The advances are based on the anticipated balances projected by the most recent Cash Flow Forecast. As at April 30, 2021, CannTrust Opco is anticipated to owe CannTrust Holdings \$53 million. However, based on the estimated realizable values of CannTrust Opco's assets, the full amount will not be satisfied. See CannTrust Holdings Liquidation Analysis for corresponding recovery of the Post-Filing Intercompany Advances on page 19.

Note 19: Insufficient Funds to Pay Secured Claims

Pursuant to the Amended and Restated Initial Order, dated March 31, 2020, post-filing intercompany advances by CannTrust Holdings are secured by a court-ordered charge. CannTrust Opco is estimated to not have sufficient funds after liquidation costs and the settlement of the secured post-filing intercompany advances owed to CannTrust Holdings to pay any secured pre-filing claims, including the secured pre-filing intercompany claim of CannTrust Holdings, nor to make any distribution to unsecured creditors.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

Note 20: Reserve for Unresolved Claims

As at the time of this Liquidation Analysis, there are claims which were filed under the Claims Procedure Order issued on May 8, 2020 that are either still under review, claims for which a Notice of Revision and Disallowance has been issued and the dispute period has not lapsed, and claims for which a Notice of Revision and Disallowance has been issued which has been disputed by the applicable claimant (collectively, “**Unresolved Claims**”). The Unresolved Claims include \$1.6 million in asserted secured claims and approximately \$59.4 million in unsecured claims for a total value of approximately \$61.1million. For the purpose of the Liquidation Analysis, Unresolved Claims are excluded from any distribution calculation, but this does not impact the outcome of the analysis, as there is no estimated distribution expected for secured or unsecured creditors in any event.

CannTrust Holdings Inc.

Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of April 30, 2021

			High Realization Estimate		Low Realization Estimate	
CannTrust Holdings Inc. - Asset Realizations	Book Value	Note	%	Amount	%	Amount
Cash	\$ 12,009,000	1	100%	\$ 12,009,000	100%	\$ 12,009,000
Short Term Investments	50,000,000	2	100%	50,000,000	100%	50,000,000
HST Recoverable	2,162,054	3	98%	2,108,144	0%	-
Prepaid Expense	7,917,919	4	4%	315,082	4%	280,074
Restricted Cash	5,974,209	5	0%	-	0%	-
Recovery of Post-Filing Intercompany Advances from CannTrust Inc.	53,000,000	6	REF G Page 12	39,303,109	REF G Page 12	22,535,484
Recovery of Pre-Filing Intercompany Claim from CannTrust Inc.	-	7	REF I Page 12	-	REF I Page 12	-
Recovery of Pre-Filing Intercompany Claim from Elmcliffe Investments Inc.	4,318,614	7	REF D Page 8	4,318,614	REF D Page 8	4,318,614
Total Proceeds	\$ 135,381,796			\$ 108,053,949		\$ 89,143,172
Liquidation Costs			Amount		Amount	
Payment of Post-Filing Accounts Payable		8	\$	(461,000)	\$	(461,000)
Professional Fees		9		(552,000)		(328,200)
Cost to Wind Down Operations		10		(31,700)		(20,300)
Total Liquidation Costs			\$	(1,044,700)	\$	(809,500)
Net Proceeds Available for Distribution				\$ 107,009,249		\$ 88,333,672
CannTrust Holdings Inc. Creditor Distributions			Distribution		Distribution	
Secured Claims	\$ -		\$	-	\$	-
Accepted General Unsecured Claims	\$ 411,316		\$	411,316	\$	411,316
Total Unsecured Claims	\$ 411,316		\$	411,316	\$	411,316
Percentage Distribution to General Unsecured Creditors				100.0%		100.0%
Reserve for Unresolved Claims	\$ 1,230,403	11				
Net Proceeds Remaining after Payment of Pre-Filing General Unsecured Claims		12	\$	106,597,933	\$	87,922,356

Totals in the above schedule are subject to rounding errors from the underlying numbers

Unaudited

See Disclaimer and Limitations

CannTrust Holdings is the parent company of CannTrust Opco and has no operational activities of its own. The common shares of CannTrust Holdings were previously listed on the TSX and NYSE. CannTrust Holdings also owns 50% of Cannabis Coffee and Tea Pod Company Ltd.

Asset Realization Assumptions for CannTrust Holdings Inc.

Note 1: Cash

Book value for cash has been forecast at April 30, 2021 based on the most recent Cash Flow Forecast. The Liquidation Analysis assumes the unrestricted cash is fully recovered through the liquidation process in both the High and Low Realization Estimates.

Note 2: Short-Term Investments

The short-term investments consist of GICs and are assumed to be easily liquidated with nominal fees for early redemption in both scenarios.

Note 3: HST Recoverable

CannTrust Holdings is in an HST refund position with the CRA from claiming input tax credits (“ITCs”) relating to HST paid on purchases and expenses for commercial activities. In both scenarios, the ITCs related to unpaid pre-filing expenses will be disallowed. As the CRA is currently auditing CannTrust Holdings’ ability to claim any ITCs as a holding company, the Low Realization Estimate assumes all ITCs would be disallowed in its entirety and no HST refund will be recoverable.

Note 4: Prepaid Expense

CannTrust Holdings’ prepaid expenses consist of retainers for professional services and prepaid insurance. Retainers for professional service fees may be returned if amounts are not owed by the Applicant, therefore it expected that 80% can be recovered in Low Realization Estimate and 90% can be recovered in a High Realization Estimate. Insurance will be recoverable for the period that is no longer required, however because the majority of policies expire August 25, 2021, this results in a minimal amount that is recoverable in either scenario.

Note 5: Restricted Cash

CannTrust Holdings has a contingent, residual interest in a trust for Director and Officer’s claims. An independent trustee holds the trust funds. It is estimated that no funds would be recoverable by CannTrust Holdings in both the High Realization and Low Realization Estimates.

Note 6: Recovery of Post-Filing Intercompany Advances made to Affiliates

During the period of March 31, 2020 to the Hypothetical Liquidation Date of April 30, 2021, the CannTrust Group has participated in inter-group cash advances as some members of the CannTrust Group are not cash flow positive. Pursuant to the Amended and Restated Initial Order dated March 31, 2020, the post-filing intercompany advances by CannTrust Holdings to CannTrust Opco, Elmcliffe and CTI are secured by a court-ordered charge on the assets of the intercompany borrowers. It is assumed that the post-filing intercompany transactions will be settled by the proceeds from sale of assets prior to distribution of any additional net proceeds to the pre-filing creditors. The advances are based on the anticipated balances projected by the most recent Cash Flow Forecast. As at April 30, 2021, CannTrust Opco is anticipated to owe CannTrust Holdings \$53.0 million however, based on the CannTrust Opco Liquidation Value estimates, it is not estimated that the full amount of this post-filing secured intercompany advance could be satisfied. See CannTrust Opco Liquidation Analysis for corresponding recovery of the Post-Filing Intercompany Advances on page 11.

Note 7: Pre-Filing Intercompany Claims

CannTrust Holdings has pre-filing intercompany claims owed from Elmcliffe and CannTrust Opco, which will be recovered to the extent net realizations are sufficient to make distributions to the unsecured creditors in each of the estates. See CannTrust Opco and Elmcliffe Liquidation Analysis on pages 11 and 8 respectively for corresponding realizations.

Note 8: Payment of Post-Filing Accounts Payable

It is assumed that CannTrust Holdings would have one month's worth of post-Filing accounts payable related to professional fees to be paid in the following month for legal counsel in defending the Securities Class Actions and indemnification claims. The amount is estimated based on the current spending rates in the most recent Cash Flow Forecast. Payment terms are net 30.

Note 9: Professional Fees

Refer to Note 2 in CTI's Liquidation Analysis.

Note 10: Cost to Wind Down Operations

Refer to Note 3 in CTI's Liquidation Analysis.

Illustrative Analysis of a Hypothetical Liquidation

As of April 30, 2021

Note 11: Reserve for Unresolved Claims

As at the time of this Liquidation Analysis, there are claims which were filed under the Claims Procedure Order issued on May 8, 2020 that are either still under review, claims for which a Notice of Revision and Disallowance has been issued and the dispute period has not lapsed, and claims for which a Notice of Revision and Disallowance has been issued which has been disputed by the applicable claimant (collectively, “**Unresolved Claims**”). For the purposes of the Liquidation Analysis, Unresolved Claims are excluded from any distribution calculation as Unresolved Claims would be reserved for prior to any distribution to unsecured creditors in a bankruptcy.

Note 12: Net Proceeds Available after Payment of Pre-Filing Claims

The estimated value remaining in CannTrust Holdings after satisfying all creditor claims will be subject to equity claims, including indemnification claims and equity holders. It is likely that the resolution of and entitlement to the proceeds would result in significant legal costs and potentially many years to resolve, with great uncertainty as to timing and guarantee of recoveries for claimants.