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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

TENTH REPORT OF THE MONITOR

Dated May 21, 2021

INTRODUCTION

1. On March 31, 2020 (the "**Filing Date**"), the Court granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") that, among other things, appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the "**Monitor**"), approved a stay of proceedings until and including April 9, 2020 (the "**Stay Period**"), granted certain Court-ordered charges, and approved FTI Consulting Canada Inc. continuing to act as Chief Restructuring Officer (the "**CRO**") of the Applicants. In addition, the Initial Order granted a limited stay of proceedings during the Stay Period in favour of O Cannabis We Stand on Guard For Thee Corporation, Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and Cannabis Coffee and Tea Pod Company Ltd. staying any rights arising out of, related to, or triggered by the insolvency of any of the Applicants or the commencement of these proceedings (the "**CCAA Proceedings**").

2. On April 9, 2020, the Court granted an order (the "**Amended and Restated Initial Order**") that, amongst other things:

   a) extended the Stay Period to July 5, 2020;

b) increased the maximum amount of each of the Administration Charge, the Directors' Charge and the Intercompany Charge, as defined in the Initial Order;

c) approved Greenhill & Co. Canada Ltd. continuing to act as financial advisor (the "**Financial Advisor**") of the Applicants and approved the Transaction Fee Charge (as defined in the Amended and Restated Initial Order);

d) approved the Key Employee Retention Plan (the "**KERP**") and the KERP Charge (as defined in the Amended and Restated Initial Order); and

e) approved a limited stay of proceedings in respect of various current and former directors, officers and employees of the Applicants, and the auditors, certain underwriters and certain selling shareholders that are currently named, in addition to the Applicants, as defendants in the Canadian Class Actions, the Zola Action, the US Class Actions and the Construction Action, all as defined in the initial affidavit of Greg Guyatt dated March 31, 2020.

3. On May 8, 2020, the Court granted:

a) an order approving the Applicants' sale and investment solicitation process;

b) an order (the "**Claims Procedure Order**") approving the claims process (the "**Claims Process**") proposed by the Applicants; and

c) an order (the "**Mediation Order**") approving the appointment of the Hon. Dennis O'Connor, Q.C. (the "**Mediator**") as a neutral third party to mediate a global settlement of various actions (the "**Mediation Process**") which allege that CannTrust Holdings Inc. ("**CannTrust Holdings**") made misrepresentations in its disclosure to investors, and claims related thereto (such actions, the "**Securities Actions**"). Each of the claims related to the Securities Actions are "**Excluded Claims**" as defined in the Claims Procedure Order.

4. On July 2, 2020, the Court granted an order that extended the Stay Period to October 30, 2020.

5. On September 16, 2020, the Court granted an order, extending the time for CannTrust Holdings to call an annual general meeting of its shareholders to a date no later than 120 days after the expiry or termination of the Stay Period.

6. On October 28, 2020, the Court granted an order that, among other things, extended the Stay Period to January 31, 2021 and authorized the Monitor to admit the proofs of claim identified in the fifth report of the Monitor dated October 26, 2020 received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as defined in the Claims Procedure Order and as applicable.

7. On January 29, 2021, the Court granted:

   a) an order, among other things, extending the Stay Period to April 30, 2021; and

   b) an order (the "**CCAA Representation Order**") appointing the CCAA Representatives and CCAA Representative Counsel to represent the interests of the Securities Claimants (all of which are defined in the CCAA Representation Order) in the CCAA Proceedings, with certain limited exceptions, in relation to their Securities Claims.

8. On February 19, 2021, the Court granted an order appointing the Honourable Frank J.C. Newbould, Q.C. as claims officer as contemplated by the Claims Process.

9. On April 16, 2021, the Court granted an order (the "**Meeting Order**"), among other things, authorizing CannTrust Holdings, CannTrust Inc. ("**CannTrust Opco**") and Elmcliffe Investments Inc. ("**Elmcliffe"**) (collectively, the "**CannTrust Plan Companies**") to call, hold and conduct meetings of their creditors (the "**Meetings**") to vote on their plan of compromise, arrangement and reorganization dated April 16, 2021 (as amended, the "**CCAA Plan**").

10. On April 30, 2021, the Court granted an order (the "**DIP Approval Order**"), among other things, authorizing the Applicants to obtain and borrow under the DIP and Exit Loan (defined herein) and sealing the unredacted version of the DIP Term Sheet (as defined in the DIP Approval Order), granting a charge over the Applicants' property in respect of

these borrowings (the "**DIP Lender's Charge**") and extending the Stay Period to June 30, 2021.

PURPOSE

11. As noted above, the Meetings of the Affected Creditors of the CannTrust Plan Companies to vote on the CCAA Plan are scheduled for May 28, 2021. Pursuant to section 23(1)(d.1) of the CCAA, the Monitor is required to file a report with the Court on the state of the Applicants' business and financial affairs in advance of the Meetings and, pursuant to section 23(1)(e), required to advise the Applicants' creditors of the filing of such report. The purpose of this Tenth Report of the Monitor (the "**Tenth Report**") is to provide the Court and the Applicants' creditors with an update and/or report on:

    a) the Applicants' business and financial affairs;

    b) the status of the Claims Process;

    c) the status of the Mediation Process; and

    d) the Monitor's recommendation to Affected Creditors with respect to voting on the Amended CCAA Plan (defined herein)**.**

TERMS OF REFERENCE

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

13. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") or any other standards pursuant to the Chartered Professional Accountants

Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS or any other standards in respect of the Information.

14. Some of the information referred to in this Tenth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

15. Future-oriented financial information referred to in this Tenth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

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

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

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

APPLICANTS' BUSINESS AND FINANCIAL AFFAIRS

Background

19. The Applicants were founded in 2013. CannTrust Opco is a licensed producer that recently resumed supplying cannabis to the medical and adult-use recreational cannabis markets. The principal activities of the Applicants, through CannTrust Opco, are the cultivation, processing, distribution, and sale of dried cannabis flower, cannabis soft gel capsules, and cannabis oil.

20. Anyone wishing to cultivate, process and/or sell cannabis in Canada must have a license from Health Canada to do so. In addition to issuing licences, Health Canada is responsible

for ensuring compliance with, and enforcement of, the *Cannabis Act*, S.C. 2018, c-16 and the *Cannabis Regulations*, SOR/2018-144 (together, the "**Cannabis Legislation**"). CannTrust Opco, a wholly owned subsidiary of CannTrust Holdings, is a licensed producer of cannabis under the Cannabis Legislation, with production and processing facilities in Fenwick, Ontario (the "**Fenwick Facility**") and Vaughan, Ontario (the "**Vaughan Facility**"). The licences issued in respect of the Fenwick Facility and the Vaughan Facility are referred to herein as the "**Cannabis Licences**" (each, a "**Cannabis Licence**").

21. CTI Holdings (Osoyoos) Inc. ("**CTI**"), a wholly owned subsidiary of CannTrust Opco, also own 81 acres of agricultural land in British Columbia which the Applicants previously intended to utilize for outdoor cannabis cultivation for their extraction-based products. CannTrust Opco applied to Health Canada for a licence to plant and cultivate on these lands but this application was put on hold. CTI is now exploring a sale of these lands.

22. As part of its mandate, Health Canada conducts periodic inspections of licensed producers, including CannTrust Opco. In July 2019, the Applicants announced that as a result of inspections by Health Canada, Health Canada had issued a non-compliance report regarding the Fenwick Facility.

23. In August 2019, the Applicants announced that as a result of further inspections by Health Canada, Health Canada had issued a non-compliance report regarding the Vaughan Facility.

24. On September 17, 2019, Health Canada partially suspended CannTrust Opco's Cannabis Licences pursuant to the Cannabis Legislation. The partial suspension affected CannTrust Opco's ability to process, sell, and conduct cannabis research, and CannTrust Opco was barred from propagating new lots or batches of cannabis. CannTrust Opco was allowed to complete the cultivation and processing of existing batches. The suspension remained in effect as at the Filing Date.

25. Following the Health Canada audits that led to the partial licence suspensions, CannTrust Holdings and others were named as defendants in the Securities Actions which allege, among other things, that CannTrust Holdings made misrepresentations in its disclosure to

investors. As of the Filing Date, there were 14 Securities Actions against CannTrust Holdings, 13 of which are putative class actions, which claim damages of at least $500 million in the aggregate.

26. CannTrust Opco took a number of steps subsequent to the Health Canada audits, including:

a) forming a special committee of independent directors with a mandate to, among other things, conduct an investigation and make recommendations and consider potential strategic alternatives available to the Applicants;

b) reducing costs and workforce as a result of the limited operations; and

c) focussing on remediation efforts and submitting a remediation plan detailing actions to be taken to address the identified risks that resulted in the partial suspension of the Cannabis Licenses, including the destruction of approximately $77 million of inventory and biological assets that were not authorized to be produced by CannTrust Opco’s Cannabis Licenses.

27. Prior to commencing these proceedings, CannTrust Holdings was listed on the Toronto Stock Exchange under the ticker TRST and the New York Stock Exchange under the ticker CTST. On April 13, 2020, a cease trade order was issued by the Ontario Securities Commission, as a result of CannTrust Holdings’ failure to file certain periodic disclosure required by Ontario securities legislation.

28. As a result of the continuing uncertainty facing the Applicants at the end of March 2020, the Applicants determined that it was in the best interests of the Applicants and their stakeholders to commence the CCAA Proceedings and obtain the breathing space necessary to, among other things, complete their remediation efforts, obtain the reinstatement of the Cannabis Licences, resume operations at the Fenwick Facility and the Vaughan Facility, return to the medical and adult-use recreational cannabis markets and explore a global resolution of the Actions and address the other claims and contingent claims against the Applicants in a single forum.

Activities of the Applicants since the Filing Date

29. Since the Filing Date, the Applicants have focussed on continuing activities and working with Health Canada to reinstate their Cannabis Licenses, while stabilizing the relationships with their employees, vendors and potential customers.

30. On May 29, 2020, Health Canada notified CannTrust Opco that the Cannabis License at its Fenwick Facility had been reinstated. Upon reinstatement, CannTrust Opco immediately took steps to resume cultivation activities. CannTrust Opco 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.

31. CannTrust Opco worked with Health Canada on the inspection of the inventory on the CannTrust Opco premises that were previously subject to seizure by Health Canada prior to the Filing Date. The seized inventory, as per Health Canada's process, remained at the premises in a secure location. On June 24, 2020, CannTrust Opco was advised by Health Canada that it had finished its inspection of the seized inventory and was releasing all cannabis products back to CannTrust Opco. At this point, CannTrust Opco began reassessing the inventory and looking for purchasers for this inventory to be sold as bulk/wholesale.

32. On August 6, 2020, Health Canada notified CannTrust Opco that the Cannabis License at its Vaughan Facility had been reinstated. CannTrust Opco promptly began to prepare for the commencement of extraction, manufacturing and packaging operations at the Vaughan Facility following the initial harvest at the Fenwick Facility. The Applicants' extraction, manufacturing and packaging operations at its Vaughan Facility are now fully operational.

33. The Applicants have continued their operational restructuring efforts, including:

a) the review of the operational structure, strategic direction, forecast needs based on potential consumer demands to revising their headcount requirements to re-establish their operational capacity;

b) efforts to resume their primary activities in both facilities (cultivation, production and processing operations) in order to bring their product to the wholesale and retail markets; and

c) reviewing vendor contracts to adjust the Applicants' strategic direction, renegotiate supply terms and reduce costs where possible, including the return of several leased vehicles and leased equipment, the disclaimer of redundant/non-essential telecommunication and human resource service providers that are no longer required, and the disclaimer of 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.

34. On December 2, 2020, CannTrust Opco announced the return of two of its recreational brands, Liiv and Synr.g, to the Canadian recreational cannabis market. The products have been initially made available in Ontario, British Columbia and Alberta.

35. On January 6, 2021, CannTrust Opco announced its re-entry into the medical cannabis market with its new medical brand, estora. estora products became available immediately to patients through CannTrust Opco's online platform and CannTrust Opco has begun fulfilling medical cannabis orders.

Cash Flow

36. As at the Filing Date, the Applicants had a cash balance of approximately $134.7 million. During the CCAA Proceedings, the Applicants have generated a net cash outflow of approximately $71.0 million and had a cash balance of approximately $63.7 million as at April 18, 2021. The receipts during this period are comprised mainly of the sale of surplus packaging, interest income, and medical and recreational product sales. The disbursements relate mainly to payroll and employee-related expenses, marketing costs, utilities, information technology and production costs. Approximately $46.7 million in operating expenses were incurred between June 22, 2020 to January 10, 2021, in and around the same period from the reinstatement of the Cannabis License for the Fenwick Facility until the

re-launch of sales in January 2021. The expenses included the costs to recommence operations, return the workforce to support the operations and rebuild working capital.

37. CannTrust Opco continues to work through certain challenges facing the entire cannabis industry in Canada, including:

a) the COVID-19 pandemic impacting sales through retail stores;

b) excess inventory in the industry across Canada; and

c) competition with other licensed producers and their multiple products for limited distribution opportunities with the provinces which sell through to the consumers.

38. Notwithstanding the above challenges, CannTrust Opco continues to be optimistic about the path forward considering the progress that it has achieved to date and continues to work towards delivering a portfolio of products to the consumer at the quality level that consumers are seeking.

SALE AND INVESTMENT SOLICITATION PROCESS

39. The Applicants and the Financial Advisor conducted an extensive market canvass pursuant to the SISP Order. 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, which included other Canadian licensed producers, private capital, U.S. multi-state operators and consumer packaged goods manufacturers.

40. The deadline for Phase 1 Qualified Bidders to submit non-binding letters of interest (each, an "**LOI**") was June 22, 2020.

41. The Applicants and the Financial Advisor, in consultation with the Monitor, reviewed the LOIs and determined that none of the LOIs represented an executable proposal for a recapitalization or sale transaction. The Applicants accordingly decided, in consultation with the Financial Advisor and the Monitor, to prioritize the Mediation Process.

MEDIATION PROCESS

42. A summary of the Securities Actions referenced previously herein is as follows:

a) there are eight putative class action lawsuits commenced in Canada of which five were commenced in Ontario (the "**Ontario Class Action**"). Carriage of the Ontario Class Action was awarded to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation ("**Ontario Class Action Counsel**"). The other three putative class actions lawsuits were commenced by the Merchant Law Group in each of British Columbia, Alberta and Quebec;

b) there is one action commenced in Ontario by two shareholders, Zola Finance Holdings Ltd. and Igor Gimelshtein, relating to the drop in CannTrust Holding's share price after July 8, 2019;

c) there are five putative class actions in the United States of which four were commenced in the Southern District of New York. 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**"); and

d) the fifth putative class action in the U.S. was commenced in California State Court.

43. None of the class actions against CannTrust Holdings have been certified.

44. Pursuant to the Mediation Order, the Mediation Process is confidential and any discussions, productions and/or offers exchanged in the course of the Mediation Process cannot be disclosed by the Monitor. The Mediation Order provides that the Court and the Court-Appointed Mediator may communicate with one another directly to discuss the conduct of the Mediation Process and the manner in which it will be coordinated with the CCAA Proceedings. The Monitor and its counsel continue to assist the Court-Appointed Mediator as requested and continue to keep the Court-Appointed Mediator informed on the CCAA Proceedings as applicable to the Mediation Process.

45. Through the Mediation Process, and after several months of negotiations, the Applicants reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (collectively, the "**Supporting Parties**") regarding a framework for the settlement of all Securities Claims (as defined in the proposed CCAA Representation Order) against CannTrust Holdings and various related claims.

46. A copy of the Restructuring Support Agreement between the Applicants and the Supporting Parties dated January 19, 2021 (the "**RSA**") has been attached as **Appendix** "**A**".

47. The RSA contemplates that the Applicants will, among other things:

a) prepare a CCAA Plan consistent with the RSA and file it with the Court;

b) seek approval of the CCAA Plan by affected creditors;

c) if the CCAA Plan is approved by the required majorities of creditors, seek approval of the CCAA Plan from the Court at a sanction hearing;

d) thereafter seek approval, within the U.S. Class Action, of the settlement with U.S. Securities Claimants in the manner contemplated by the RSA and the CCAA Plan; and

e) following the approvals in c) and d), seek to implement the CCAA Plan as soon as possible.

48. The RSA also contemplates, among other things, that:

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

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

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

d) any claims related to the Securities Actions that CannTrust Holdings has 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 reflected in the CCAA Plan and approved by the Court; and

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

49. Since the RSA was entered into, the Court-Appointed Mediator, with the assistance of the Monitor, has continued to meet with the CCAA Representatives, the Applicants, the Co-Defendants and Insurers that were not Original Settlement Parties with a view towards reaching further settlements.

50. To date, over 80 counsel representing over 30 separate parties have participated in the Mediation Process. The Court-Appointed Mediator has informed the Monitor that since the Mediation Order was issued, the Court-Appointed Mediator has participated in at least 185 meetings, including plenary sessions involving all participants, bilateral and multilateral discussions involving certain participants and discussions directly between the Court-Appointed Mediator and particular participants. Since the Meeting Order was issued, the Court-Appointed Mediator has participated in at least 20 meetings to facilitate further negotiations in the Mediation Process with a view to the remaining Non-Settling Defendants reaching settlements with the Securities Claimants. As detailed below, these further efforts have been successful.

CLAIMS PROCESS UPDATE

Status of Claims Filed

51. Attached as **Appendix "B"** is the status of claims filed against the Applicants pursuant to the Claims Procedure Order as at May 19, 2021 (the "**Claims Summary**"). All claim amounts are listed in Canadian dollars using the daily average exchange rate published by the Bank of Canada on March 31, 2020 (the date these CCAA proceedings were commenced).

52. As detailed in the Claims Summary, as at May 17, 2021, 247 claims with a cumulative asserted value of $353,902,704 had been filed in the Claims Process.

53. Twelve (12) claims are still under review by the Applicants and the Monitor and will be addressed at the appropriate time, if necessary, including:

    a) one (1) "marker" claim submitted by the Canada Revenue Agency ("**CRA**"), which will require the completion of HST and payroll audits before being finalized by CRA;

    b) four (4) employee claims that were filed relatively recently;

    c) three (3) trade claims that were filed relatively recently; and

    d) four (4) intercompany claims with an approximate value of $253.8 million.

54. The Applicants and the Monitor have provisionally accepted 207 claims, comprised of unsecured claims with a value of $3,506,223 and secured claims with a value of $106,439.

55. There are twenty-eight (28) claims that have been disallowed in their entirety or withdrawn, having a total aggregate asserted claim value of $96,321,379.

56. There are no claims for which a Notice of Revision and Disallowance has been sent, and in respect of which the dispute period has not elapsed.

57. There are currently no claims which a Notice of Dispute has been filed by the claimant that has not been resolved or withdrawn.

Additional Late Claims

58. Since the Ninth Report of the Monitor dated April 22, 2021 (the "**Ninth Report**"):

a) three (3) additional trade claims were submitted by claimants after the Claims Bar Date (as defined in the Claims Procedure Order) (the "**Late Trade Claims**"). The Monitor has been informed by the claimants regarding of the circumstances that lead to the late filing of their claim and the claimants filed a Proof of Claim promptly once their misapprehension was corrected; and

b) two (2) late claims were filed by former employees which were only a few days late beyond their respective Restructuring Claims Bar Dates (the "**Late Employee Claims**" and collectively with the Late Trade Claims, the "**Additional Late Claims**").

59. The Monitor is satisfied that the claimants that filed the Additional Late Claims have provided a reasonable basis for the late filing and the Monitor believes that it would be appropriate to admit the Additional Late Claims into the Claims Process where the Applicants and the Monitor will review them in accordance with the Claims Procedure Order. The Monitor understands that the Applicants will request that the Court approve the admission of the Additional Late Claims at the Sanction Hearing.

CCAA PLAN

Overview

60. The Meeting Order accepted the filing of the plan of compromise, arrangement and reorganization dated April 16, 2021 (the "**Original CCAA Plan**") with the Court. The Original CCAA Plan was summarized in the information statement dated April 16, 2021 (the "**Information Statement**") and attached thereto as Schedule "B". The Original CCAA Plan was also summarized 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 (collectively, the "**Eighth Report**") and attached to the latter as Appendix "B".

61. On May 21, 2021, the Applicants filed their first amended and restated plan of compromise, arrangement and reorganization (the "**Amended CCAA Plan**"), which is attached hereto as **Appendix "C"**. A comparison of the Amended CCAA Plan to the Original CCAA Plan is attached hereto as **Appendix "D"**.

62. For completeness, the Monitor has repeated its summary of key aspects of the Original CCAA Plan in this Tenth Report while also describing the key amendments reflected in the Amended CCAA Plan.

63. Creditors should carefully read the Amended CCAA Plan in full. If there is any discrepancy between the summary in this Tenth Report and the Amended CCAA Plan, the Amended CCAA Plan shall govern.

Summary of the CCAA Plan

64. The CCAA Plan, among other things, implements the framework for the settlement of all Securities Claims (as defined herein) and addresses other claims and contingent claims against the CannTrust Plan Companies.

65. There were no claims filed against CTI in the Claims Process except for an intercompany claim filed by CannTrust Opco, therefore CTI is not a CannTrust Plan Company that is proposing the CCAA Plan. The Applicants intend to seek a separate order at the Sanction Hearing terminating the CCAA Proceedings with respect to CTI at the Effective Time.

66. The CCAA Plan provides for four classes of Affected Creditors:

a) a class of Creditors holding unsecured claims against CannTrust Opco (the "**Opco GUC Class**");

b) a class of Creditors holding unsecured claims against Elmcliffe (the "**Elmcliffe GUC Class**");

c) a class of Creditors holding unsecured claims against CannTrust Holdings (the "**CannTrust Holdings GUC Class**", together with the Opco GUC Class and Elmcliffe GUC Class, the "**GUC Classes**"); and

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

67. The treatment of Affected Creditors under the CCAA Plan is generally as follows:

a) *Opco GUC Class* – The CannTrust Plan Companies will set aside or deliver to the Monitor the amount of $900,000 (the "**GUC Distribution Pool**") for distributions to General Unsecured Creditors of CannTrust Opco ("**CannTrust Opco GUCs**") and:

(i) each CannTrust Opco GUC with a Proven Claim less than or equal to $2,500 in aggregate will receive the amount of their Proven Claim;

(ii) each CannTrust Opco GUC with a Proven Claim greater than $2,500 that delivered an Election Notice to the Monitor by May 25, 2021 will receive $2,500 in full satisfaction of their Proven Claims (collectively, with those claimants in subparagraph (i) above, the "**Convenience Creditors**"); and

(iii) each CannTrust Opco GUC with a Proven Claim greater than $2,500 that does not deliver an Election Notice to the Monitor in accordance with the Meeting Order will receive the lesser of 17% of their Proven Claims or their *pro rata* share of the Remaining GUC Distribution Pool. The "**Remaining GUC Distribution Pool**" is the balance of the GUC Distribution Pool after deducting (i) the amount held in the Unresolved General Unsecured Claims Reserve in respect of Claims that are Unresolved General Unsecured Claims against CannTrust Opco (each as defined herein), and (ii) the amounts paid to Convenience Creditors;

b) *Elmcliffe GUC Class* – Each General Unsecured Creditor of Elmcliffe with a Proven Claim will receive, in full satisfaction of such Proven Claim, payment of the amount of such Proven Claim pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor;

c) *<u>CannTrust Holdings GUC Class</u>* – Each General Unsecured Creditor of CannTrust Holdings with a Proven Claim will receive, in full satisfaction of such Proven Claim, payment of the amount of such Proven Claim.

d) *<u>Securities Claimant Class</u>* – CannTrust Holdings will pay or cause to be paid $50 million (its Cash Contribution) to the Securities Claimant Trust (as defined in the CCAA Plan and described further in Article 4.1 of the CCAA Plan). In addition, 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, will be assigned to the Securities Claimant Trust, 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**") and:

(i) each Securities Claimant will receive a distribution from the Securities Claimant Trust in accordance with the Allocation and Distribution Scheme, which is attached as Schedule "B" to the CCAA Plan. The Allocation and Distribution Scheme aims to facilitate an equitable distribution of the Class Compensation Scheme among Securities Claimants with Proven Claims. Two principal factors will determine the relative value of each Securities Claimant's Recognized Claim for the purpose of the Allocation and Distribution Scheme: (1) the date of the sale of shares that the Securities Claimant acquired between June 1, 2018, and September 17, 2019, and (2) whether the Securities Claimant acquired the shares on the primary or the secondary market. The Allocation and Distribution Scheme administrator will then allocate the funds available to the Securities Claimant Trust based on each Securities Claimants' *pro rata* entitlement.

(ii) Subject to the other terms of the CCAA Plan and the CCAA Sanction Order, the Securities-Related Claims of Securities Claimants against Non-

Settlement Parties will not be compromised, and Securities Claimants may continue to pursue such Securities-Related Claims against Non-Settlement Parties after the Plan Implementation Date.

68. Under the CCAA Plan, a reserve (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, these Claimants will receive the distribution that they would have been entitled to under the CCAA Plan at the Effective Time.

69. The following Claims are Unaffected Claims and will not be compromised under the CCAA Plan:

a) Claims secured by the CCAA Charges;

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

c) CCAA Priority Payment Claims;

d) Claims of an Applicant against another Applicant;

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

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

g) Insured Claims;

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

i) any Defence Costs Indemnity Claim held by a Co-Defendant or other Person who is not a Settlement Party in respect of a Securities-Related Claim, provided that such Defence Costs Indemnity Claim is otherwise valid and enforceable against CannTrust Holdings; and

j) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the Applicants.

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

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

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

c) the 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 will have been settled in form and substance satisfactory to each of the parties to the RSA, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document);

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 supplemental letter agreement dated January 19, 2021 and the related joinder letter made as of January 29, 2021 between the Applicants and the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (the "**RSA Supplemental Letter Agreement**") to be completed before or as a condition to the implementation of the CCAA Plan will have been satisfied or waived in accordance with the terms of the RSA Supplemental Letter Agreement; and

k) arrangements satisfactory to the DIP and Exit Lender and the Applicants 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.

71. At the Effective Time on the Plan Implementation Date, among other things:

a) the Articles of Reorganization of CannTrust Holdings will become effective.

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

c) all Channelled Claims will be fully, finally, irrevocably and forever enjoined in accordance with Section 3.8 and Article 7 of the CCAA Plan 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 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;

d) the arrangements between any DIP and Exit Lender and the Applicants contemplated by the CCAA Plan in respect of the DIP and Exit Loan will become effective; and

e) 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.

Additional Settlement Parties

72. As a result of the continued efforts of the Court-Appointed Mediator following the issuance of the Meeting Order, settlements have been reached with: (i) the Underwriters; (ii) Eric Paul and the Paul Family Trust; and (iii) Ian Abramowitz, and they have each been added as an Additional Settlement Party under the Amended CCAA Plan. As required by section 7.1 of the CCAA Plan, each of these Additional Settlement Parties has signed a restructuring support agreement in which they 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 their 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.

73. Subject to Section 7.1(4) of the CCAA Plan, each of these Additional Settlement Parties will be treated as a Released Party pursuant to the CCAA Plan and the CCAA Sanction Order.

Other Amendments

74. The Amended CCAA Plan also includes certain other amendments that were made to the Original CCAA Plan to reflect certain feedback received from stakeholders or to provide further clarity.

SECURITIES VOTING CLAIMS PROCESS

75. The Meeting Order provided a process for Securities Claims to be proven and proxies to be filed solely for the purposes of voting on the CCAA Plan at the Securities Claimant Meeting (defined herein) (the "**Securities Voting Claims Process**").

76. The Securities Voting Claims Process provided Securities Claimants with the opportunity to opt-out of being represented by the CCAA Representatives and CCAA Representative Counsel for purposes of voting on the CCAA Plan if, for some reason, they prefer to file a proof of claim themselves and vote their own claim.

77. A Securities Claimant that wished to opt-out (an "**Opt Out Securities Claimant**") was required to deliver a Securities Claimant Opt Out Election to the Monitor by no later than 5:00 p.m. on May 12, 2021 (the "**Opt Out Deadline**"). Only one (1) Securities Claimant submitted a Securities Claimant Opt Out Election form by the Opt Out Deadline.

78. Each Excluded Securities Claimant is deemed by the Meeting Order to be an Opt Out Securities Claimant without being required to deliver the Securities Claimant Opt Out Election.

79. "**Excluded Securities Claimants**" as defined in the CCAA Representation Order, consisted of Zola Finance Holdings Ltd and Igor Gimelshtein; 1604070 Alberta Ltd., Jeff Dyck, and Diran Avedian; and Shmuel Farhi and their respective counsels.

80. The CCAA Representatives and CCAA Representative Counsel were required to deliver a joint Proof of Represented Securities Voting Claims with respect to all Securities Claims held by Represented Securities Claimants, including all relevant supporting documentation in respect of the number of Represented Securities Claimants and the value of their Securities Claims, to the Monitor such that it was received by the Monitor by no later than 5:00 p.m. on April 19, 2021 (the "**Proof of Securities Voting Claim Deadline**"). The CCAA Representatives delivered a Proof of Represented Securities Voting Claims by the Proof of Securities Voting Claim Deadline.

81. Opt Out Securities Claimants that wished to vote with respect to their Securities Claims at the Securities Claimant Meeting were required to deliver a Proof of Opt Out Securities Voting Claim to the Monitor by the Proof of Securities Voting Claim Deadline. The sole Securities Claimant that opted out of representation by the CCAA Representatives and one group of Excluded Securities Claimants (specifically Zola Finance Holdings Ltd and Igor Gimelshtein (the "**Zola Plaintiffs**")) filed Proofs of Opt Out Securities Voting Claims to the Monitor by the Proof of Securities Voting Claim Deadline.

82. An Opt Out Securities Claimant that did not deliver a Proof of Opt Out Securities Voting Claim to the Monitor by the Proof of Securities Voting Claim Deadline is not be entitled to attend the Securities Claimant Meeting or vote on the CCAA Plan.

83. The Monitor and the CannTrust Plan Companies have reviewed the proofs of claim filed in the Securities Voting Claims Process pursuant to the Meeting Order. The following is a summary of the proofs of claim filed, and the amounts accepted by the Monitor and the CannTrust Plan Companies for voting purposes at the Securities Claimant Meeting:

Category	**Number of Claimants**	**Claim Amount as Filed**	**Accepted Amount**
Represented Securities Voting Claim	2,375	$509,800,000	$481,362,041[1]
Opt-Out Securities Voting Claims	2	$45,037,959	$45,037,959
Total	**2,377**	**$554,837,959**	**$526,400,000**

[1] The accepted amount was determined by deducting (i) the accepted amount of the Securities Voting Claim of the sole Securities Claimant that opted out of representation by the CCAA Representatives ($37,959.02), and (ii) a portion of the accepted amount of the Securities Voting Claim of the Zola Plaintiffs ($28,400,000).

84. In accordance with the Meeting Order, the Monitor communicated its determinations to the CCAA Representatives and Opt Out Securities Claimants on May 21, 2021. If the CCAA Representatives wish to dispute the partial disallowance of Represented Securities Voting Claim, they are required to notify the Monitor of such dispute in writing by no later than 5:00 p.m. on May 27, 2021.

85. If any dispute is not settled prior to the commencement of the Securities Claimant Meeting, the CCAA Representatives will have an "**Unresolved Securities Voting Claim"** for the purposes of voting at the Securities Claimant Meeting.

LIQUIDATION ANALYSIS

86. As previously described in the Eighth Report, the Monitor believes that, if the CCAA Plan is not approved by the Affected Creditors, based on the Applicants' current and anticipated cash position, and unless a restructuring is implemented in a relatively short time frame, the Applicants may not be able to emerge from the CCAA Proceedings as a going concern.

87. As such, the most likely alternative would ultimately be the realization of the Applicants' assets under the CCAA, the *Bankruptcy and Insolvency Act* (Canada) or other statute and the distribution of the net proceeds from such a sale or liquidation to the creditors of the Applicants in accordance with their respective priorities. Any liquidation process would be fraught with considerable execution risk and cost.

88. In order to understand the impact on the unsecured creditors in event the CCAA Plan is not approved and implemented, the Monitor had performed an illustrative analysis of a hypothetical liquidation scenario and the anticipated recovery to unsecured creditors in that scenario as of April 30, 2021 based on financial information provided by the Applicants (the "**Original Liquidation Analysis**"). A copy of the Original Liquidation Analysis was attached to the Information Statement as Schedule "D" and to the Eighth Report as Appendix "C".

89. The Original Liquidation Analysis scenario date of April 30, 2021 reflected the date originally proposed for the Meetings which has since been rescheduled to May 28, 2021. The Monitor has updated the liquidation analysis scenario date to May 31, 2021 to more closely coincide with the rescheduled Meetings (the "**Updated Liquidation Analysis**"). The Updated Liquidation Analysis is attached as **Appendix "D".**

90. Based on the assumptions underlying in the Updated Liquidation Analysis, the Monitor has prepared illustrative estimates of the net realizable value of the assets of the Applicants for the benefit of the unsecured creditors, net of the repayment of the secured debt obligations and the payment of certain amounts that may have to be paid in priority to the unsecured creditors in accordance with the Amended and Restated Initial Order, including post-filing Intercompany Advances.

91. Subject to the assumptions, notes and disclaimers set out in the Updated Liquidation Analysis, the following is a summary of the estimated distributions or potential amounts available to the creditors of the CannTrust Plan Companies in a hypothetical liquidation:

a) <u>Elmcliffe</u>: 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;

b) <u>CannTrust Opco</u>: 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 $19.7 million and $36.6 million) are less than the anticipated post-filing intercompany advances that CannTrust Opco will have received from CannTrust Holdings as at May 31, 2021 in the amount of $57.8 million which are secured by the Intercompany Charge in the Initial Order. Under the CCAA Plan: (i) secured creditors of CannTrust Opco (other than CannTrust Holdings) would be paid in full; (ii) General Unsecured Creditors of CannTrust Opco with Proven Claims less than or equal to $2,500 in aggregate will receive a full recovery on their claims; and (iii) General Unsecured Creditors of CannTrust Opco with Proven Claims that exceed $2,500 in aggregate and do not file an Election Notice will receive their *pro rata* share of the GUC Distribution Pool, which the Monitor currently estimates will result in these creditors recovering 17% of the value of the General Unsecured Claims;

c) CannTrust Holdings: It is estimated that the accepted general unsecured claims filed against CannTrust Holdings in the amount of approximately $0.6 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 $75.7 million and $93.8 million. The Original Liquidation Analysis estimated that there would be net proceeds available for distribution between approximately $87.9 million and $106.6 million. The reduction is primarily attributable to the eroding cash position of CannTrust Holdings due to, among other things, negative cash flow generated from operations and restructuring costs.

92. The Monitor notes that the expected outcomes for General Unsecured Creditors in the liquidation scenario have not changed between the Original Liquidation Analysis and the Updated Liquidation Analysis. General Unsecured Creditors of Elmcliffe and CannTrust Holdings are estimated to be paid in full in a liquidation scenario, as they would be under the CCAA Plan. General Unsecured Creditors of CannTrust Opco are estimated to receive no recovery in a liquidation scenario.

93. With respect to the net proceeds potentially available for distribution to equity claimants in a liquidation scenario, due to the eroding cash position of the Applicants, the timing and quantum of any distributions to equity claims in a liquidation scenario is uncertain. In a liquidation scenario, significant funds may be consumed by the litigation efforts which may take years before any judgments could be obtained and distributions could be made.

94. Based on these factors, the Monitor believes the CCAA Plan will produce a more favourable result for the Affected Creditors than they would likely receive in connection with a going concern sale or forced liquidation of the assets of the Applicants.

95. Based on the Applicants' current cash position, availability of the DIP and Exit Loan, and the Applicants' projected cash needs before the anticipated implementation of the CCAA Plan (should it be approved by the Affected Creditors and this Court), the Monitor believes that the Applicants will have sufficient liquidity to implement the restructuring. However, any significant delay will make the implementation of the restructuring uncertain.

IMPACT TO STAKEHOLDERS

96. One of the main benefits of the CCAA Plan is that it is expected to allow the Applicants to exit the CCAA Proceedings as a going concern, which is expected to benefit its approximately 280 employees and the communities of Fenwick and Vaughan, Ontario in which the Applicants operate. In the era of the COVID-19 pandemic and related government-mandated shutdowns, the agricultural sector, including cannabis cultivators like the Applicants, remain an ongoing source of employment. The Applicants emerging as a going concern can also be expected to benefit the consumer and medical patients that rely on its products, its suppliers and other service providers.

MONITOR'S ANALYSIS AND RECOMMENDATION ON THE CCAA PLAN

97. The CCAA Plan offers a better recovery to General Unsecured Creditors of CannTrust Opco than they could expect to receive in a liquidation scenario (in which it is estimated that they would receive nothing). The CCAA Plan offers the same recovery to General Unsecured Creditors of Elmcliffe and CannTrust Holdings. The CCAA Plan provides for distributions to Securities Claimants from significant contributions of cash and assigned claims to be made to the Securities Claimant Trust by the CannTrust Plan Companies and the other Settlement Parties, whereas the timing and quantity of any recovery of Securities Claimants in the absence of the CCAA Plan is highly uncertain.

98. As noted in the Eighth Report, substantial progress has been made through the Mediation Process and a global settlement of the Securities Claims is in the best interests of all stakeholders. Without the approval of the CCAA Plan, all of these efforts will be lost. At this time, the RSA and the CCAA Plan have the support of the CCAA Representatives and

certain of the other Co-Defendants that have reached settlements of the claims against them. Efforts are continuing to reach further settlements in advance of the Meetings.

99. The Monitor is of the view that any alternative that does not include the resolution of the Securities Claims against the Applicants is not a viable one. The actual receipts and disbursements previously reported by the Monitor, and the Cash Flow Forecast attached to the Ninth Report show that the Applicants continue to have a significant net cash outflow month to month. In order for the Applicants to continue as a going concern, they will need cash to support their working capital needs which will require additional external funding. Even though the Applicants have re-entered the cannabis market after being absent for an extended period of time, the market has been tougher than expected to regain market share, and pricing has been challenging for all players in the sector. The financial projections of the Applicants are still subject to significant variation due to these uncertainties. The current DIP and Exit Loan contains conditions that require the approval of the CCAA Plan in order for the Applicants to be eligible for continued funding after the conclusion of the CCAA Proceedings. It is highly unlikely that any equity financing would be available to a company with the considerable litigation exposure that the Applicants have if the CCAA Plan is not implemented. Further, any debt financing outside of a CCAA process is uncertain and will come at a premium interest rate and with a smaller credit limit than might otherwise be offered. Finally, if the Securities Claims are not resolved in the CCAA Proceedings, the Applicants will continue to expend a significant amount of its remaining cash resources on litigation costs, possibly for an extended period of time, rather than using these cash resources in their operations.

100. For the reasons stated herein, the Monitor is of the view that:

a) 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; and

b) the CCAA Plan will produce a more favourable result for the Affected Creditors than a realization of the Applicants’ assets.

Accordingly, the Monitor recommends that Affected Creditors vote in favour of the resolution to approve the Amended CCAA Plan at the Meetings.

All of which is respectfully submitted this 21st day of May, 2021.

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

per:

Alex Morrison, CPA, CA, CIRP, LITS
Senior Vice President

Karen Fung, CPA, CA, CIRP, LIT
Vice President

APPENDIX "A"
RSA

<u>RESTRUCTURING SUPPORT AGREEMENT</u>

THIS AGREEMENT is made as of January 19, 2021 between:

CannTrust Holdings Inc.,
CannTrust Inc.,
CTI Holdings (Osoyoos) Inc. and
Elmcliffe Investments Inc.

(the "**CannTrust Group**")

– and –

Patrick Hrusa and Dharambir Singh

(the "**Ontario Class Action Lead Plaintiffs**")

– and –

A. Dimitri Lascaris Law Professional Corporation,
Henein Hutchinson LLP,
Kalloghlian Myers LLP and
Strosberg Sasso Sutts LLP

(**"Ontario Class Action Counsel"**)

– and –

Granite Point Master Fund, LP and
Granite Point Capital Scorpion Focussed Ideas Fund

(the "**U.S. Class Action Lead Plaintiffs**", and collectively with the Ontario Class Action Lead Plaintiffs, the "**Class Action Lead Plaintiffs**")

– and –

Labaton Sucharow LLP and Weisz Fell Kour LLP

(**"U.S. Class Action Counsel"**, and collectively with Ontario Class Action Counsel, **"Class Action Counsel"**)

RECITALS:

A. Capitalized terms used in this Agreement and not defined above have the meanings given to them in Section 1.01.

B. The CannTrust Group commenced the CCAA Proceedings on the Filing Date.

C. Pursuant to the Mediation being conducted within the CCAA Proceedings, the CannTrust Group has been engaged in negotiations with the Class Action Lead Plaintiffs and Class Action Counsel, among others, regarding the restructuring of the CannTrust Group, including negotiations with respect to the settlement of the Securities Claims and any related claims.

D. Pursuant to those negotiations, the Agreement Parties have agreed upon terms for the settlement of the Securities Claims that will form part of the restructuring of the CannTrust Group pursuant to a CCAA Plan and related arrangements, which terms are reflected in the Term Sheet.

E. The Agreement Parties wish to enter into this Agreement to set forth their agreements concerning the CCAA Plan, the related process to implement it, and the commitment of the Class Action Lead Plaintiffs and Class Action Counsel to support the CCAA Plan.

NOW THEREFORE, in consideration of the premises, the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Agreement Parties, the Agreement Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement:

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

"**Additional Settlement Party**" means any Co-Defendant or Insurer that has been designated as an Additional Settlement Party in accordance with Section 3.04 of this Agreement or the terms of the CCAA Plan.

"Affected Claims" means the Securities Claims and all other Claims that the CannTrust Group seeks, in its sole discretion, to compromise, settle and/or release pursuant to the CCAA Plan to effect its restructuring.

"Affected Creditor" means a holder of an Affected Claim.

"**Agreement**" means this agreement, including its recitals and Schedules, as amended from time to time.

"**Agreement Parties**" means the CannTrust Group, the Class Action Lead Plaintiffs and Class Action Counsel.

“**Allocation and Distribution Scheme**” means the scheme to be developed by the Class Action Lead Plaintiffs and Class Action Counsel and approved by the CCAA Court, for the allocation and distribution by the Trustee (or its designate, as approved by the CCAA Court) of the funds held by the Securities Claimant Trust from time to time among and to Securities Claimants, among others, which scheme will be included within the terms of, or will be a schedule to, the Trust Declaration and/or the CCAA Plan.

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

“Bar Order” is defined in Section 3.02(c).

“**Business Day**” means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario.

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

“Canadian and Non-U.S. Securities Claimants” means all Securities Claimants other than U.S. Securities Claimants.

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

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

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

(ii) each cash contribution to the Securities Claimant Trust to be made by an Additional Settlement Party, in the amount agreed between the Additional Settlement Party, the Class Action Lead Plaintiffs and the CannTrust Group.

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

“CCAA Canadian Representatives” is defined in Section 2.02(1).

“CCAA Canadian Representative Counsel” is defined in Section 2.02(1).

“**CCAA Court**” means the Ontario Superior Court of Justice (Commercial List).

“**CCAA Plan**” means the plan of compromise, arrangement and reorganization of the CannTrust Group to be proposed by it pursuant to the CCAA, consistent with the Term Sheet and this Agreement, and otherwise in form and content satisfactory to the CannTrust Group in its sole discretion, as may be amended from time to time in accordance with the provisions of the CCAA Plan and the Meeting Order.

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

"CCAA Representation Order" is defined in Section 2.02(1).

"CCAA Representative Counsel" is defined in Section 2.02(1).

"CCAA Representatives" is defined in Section 2.02(1).

"**CCAA Sanction Order**" means the order to be made under the CCAA sanctioning the CCAA Plan and providing for the Bar Order and other relief contemplated in the CCAA Plan, as such order may be amended from time to time, in form and content satisfactory to the CannTrust Group in its sole discretion and otherwise consistent with the Term Sheet and this Agreement.

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against any of member of the CannTrust Group, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not such right or claim is executory or anticipatory in nature (including any right or claim in connection with the sale of any securities by CannTrust Holdings or others pursuant to the public distribution of its securities or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future), which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had such member of the CannTrust Group become bankrupt on the Filing Date, including any Securities Claim and any Securities-Related Indemnity Claim.

"**Claims Procedure Order**" means the claims procedure order of the CCAA Court made in the CCAA Proceedings on October 13, 2020 and any supplemental claims procedure order made in respect of the process governing the proof of claims, in each case as amended from time to time.

"Co-Defendant" means, at the relevant time (i) any Person named as a defendant in an Action that is not a Settlement Party, and (ii) any Person that could be named as a co-defendant in an Action based on or arising out of the Securities-Related Matters and who has or could have a Securities-Related Indemnity Claim against a Released Party.

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

“**Cross-Border Action**” is defined in Section 3.01(d)(i).

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

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

“**Effective Time**” means the first moment on the Plan Implementation Date or such other time on the Plan Implementation Date as may be designated by the CannTrust Group in accordance with the CCAA Plan.

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

“**Initial Order**” means the initial order made by the CCAA Court on the Filing Date under the CCAA upon application by the CannTrust Group, as amended and/or amended and restated from time to time.

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

“**Mediation**” means the mediation being conducted in the CCAA Proceedings pursuant to the order made on May 8, 2020.

“Meeting Order” is defined in Section 2.02(1).

“**Meetings**” means, collectively, each meeting of a class of Affected Creditors of the CannTrust Group, including a class that includes Securities Claimants if necessary, called for the purpose of considering and voting on the CCAA Plan.

“**Monitor**” means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order.

"**Non-Released CannTrust Claims**" means:

(i) the right to enforce against the applicable member(s) of the CannTrust Group its obligations under the CCAA Plan;

(ii) the right to enforce the Unaffected Claims against the applicable member(s) of the CannTrust Group;

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

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

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

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

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

"Opt Out Claimant" means, to the extent an opt out process is imposed by the CCAA Representation Order or the Meeting Order, any Securities Claimant that provides notice to the Monitor and CCAA Representative Counsel that they do not want the CCAA Representatives and/or CCAA Representative Counsel to represent them or act as their proxy, as applicable.

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

"Outside Date" means December 31, 2021.

"**Person**" means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Plan Implementation Date**" means the date upon which all of the conditions to the CCAA Plan and other Definitive Documents have been satisfied or waived and the transactions contemplated by the CCAA Plan and the other Definitive Documents are to be implemented.

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

“**Released CannTrust Claims**” means (A) any and all Claims and (B) any and all other demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Released CannTrust Party) that any Affected Creditor or other Person has or may be entitled to assert against any of the Released CannTrust Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

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

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

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

but excluding Non-Released CannTrust Claims.

“**Released CannTrust Parties**” means the Original Settlement Parties, the Monitor and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Original Settlement Parties and the Representatives of each such excluded Director.

“**Released Claims**” means the Released CannTrust Claims and the Released Securities-Related Claims.

“**Released Parties**” means the Released CannTrust Parties and the Released Additional Settlement Parties.

“**Released Securities-Related Claims**” means (A) any and all Securities Claims and Securities-Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any Settlement Party) that any Securities Claimant or Co-Defendant has or may be entitled to assert against any of the Released Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with:

(i) any of the Actions;

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

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

but excluding Non-Released CannTrust Claims.

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

"Represented Securities Claimants" means all Canadian and Non-U.S. Securities Claimants and all U.S. Securities Claimants, excluding Opt Out Claimants (if any).

"Schedules" is defined in Section 1.03.

"**Securities Claim**" means:

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

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

other than a Securities-Related Indemnity Claim.

"Securities Claimants" means the holders of Securities Claims.

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

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

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

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

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

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

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

"**Securities-Related Section 5.1(2) Claims**" means any Securities-Related Claim against a Director who is an Original Settlement Party and which claim is not permitted to be compromised pursuant to Section 5.1(2) of the CCAA.

"**Settlement-Related Agreements**" means the Trust Declaration, the Allocation and Distribution Scheme, the Cooperation Agreement and all other agreements, releases, consents or other documents contemplated by, or necessary or desirable to implement the transactions contemplated by, this Agreement or the CCAA Plan to settle the Securities Claims and any related claims, in each case in form and content satisfactory to the Agreement Parties.

"Settlement Parties" means the Original Settlement Parties and the Additional Settlement Parties.

"Supplemental Letter Agreement" means the letter agreement dated the date hereof between the Agreement Parties supplemental to this Agreement, containing certain additional terms that are confidential.

"Term Sheet" means the term sheet attached as Schedule B.

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

"**Trustees**" means the individual lawyers from the firms that comprise Class Action Counsel, in their capacity as the trustees of the Securities Claimant Trust, to be appointed pursuant to the Trust Declaration on the basis contemplated in Section 3.03.

"Unaffected Claims" means any Claims designated as unaffected Claims in and for the purposes of the CCAA Plan.

"U.S. Approval Order" means a court order entered in the U.S. Class Action, (i) approving a settlement and final judgment in the U.S. Class Action; (ii) containing a bar order in customary form containing such judgment reduction provisions as may be required by the *Private Securities Litigation Reform Act*; and (iii) approving customary broad releases by Securities Claimants within the putative class of any claims that were or could have been asserted in the Actions (including the California Action), in form and content satisfactory to the CannTrust Group and the U.S. Class Action Lead Plaintiffs.

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

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

1.02 **<u>Construction</u>**

In this Agreement, unless otherwise stated or the context otherwise requires:

(a) the division of this Agreement into Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;

(b) the words "hereunder", "hereof" and similar expressions refer to this Agreement and not to any particular Section or Schedule and references to "Sections" and "Schedules" are to Sections of and Schedules to this Agreement;

(c) words importing the singular include the plural and *vice versa* and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) references to dollar amounts are to Canadian dollars;

(g) references to times are to local time in Toronto;

(h) references to the "CannTrust Group" refer to each member of the CannTrust Group;

(i) if the CCAA Representation Order is granted, references to the "Class Action Lead Plaintiffs" and "Class Action Counsel" will include the CCAA Representatives and CCAA Representative Counsel after the agreement of the CCAA Class Representatives and CCAA Representative Counsel to become parties to and bound by this Agreement in accordance with Section 2.03(d) has become effective;

(j) any reference in this Agreement to a requirement or condition that (i) the CCAA Plan or another Definitive Document must be consistent with this Agreement means that such document must be consistent with this Agreement and the Supplemental Letter Agreement, and (ii) something be done as contemplated in or by this Agreement means as contemplated in or by this Agreement or the Supplemental Letter Agreement; and

(k) if there is a conflict between the terms of a Schedule and this Agreement (excluding the Schedules), the terms of this Agreement (excluding the Schedules) will govern, and any reference in this Agreement to a requirement or condition that the CCAA Plan or another Definitive Document must be consistent with the Term Sheet means that such Definitive Document must be consistent with the terms of this Agreement (excluding the Term Sheet) to the extent of any conflict between this Agreement (excluding the Term Sheet) and the Term Sheet.

1.03 **Schedules**

The following are the schedules (the **"Schedules"**) to this Agreement:

Schedule A	−	Actions
Schedule B	−	Term Sheet
Schedule C	−	Cooperation Agreement – General Principles

ARTICLE 2 - THE CCAA PLAN

2.01 **Settlement of Securities Claims Pursuant to CCAA Plan**

Each Agreement Party agrees that:

(a) all Securities Claims, Securities-Related Claims, Securities-Related Section 5.1(2) Claims and Securities-Related Indemnity Claims against the Released Parties will be settled or otherwise addressed pursuant to and in accordance with the CCAA Plan and the other Definitive Documents;

(b) the terms of the CCAA Plan and other Definitive Documents that relate to the treatment of the Securities Claims, Securities-Related Claims, Securities-Related Section 5.1(2) Claims and Securities-Related Indemnity Claims against the Released Parties will be consistent with the Term Sheet and this Agreement;

(c) it will negotiate in good faith with the other Agreement Parties to finalize the terms of the CCAA Plan and the other Definitive Documents on terms consistent with the Term Sheet and this Agreement;

(d) it will cooperate with the other Agreement Parties in good faith during the Mediation and the pendency of the CCAA Proceedings to seek a contribution from and settlement with each Co-Defendant and Insurer that is acceptable to the Class Action Lead Plaintiffs and Class Action Counsel and to cause it to become an Additional Settlement Party; and

(e) it will do all such things and take all such actions as may be reasonably necessary to carry out the purposes and intent of this Agreement and will refrain from doing anything or taking any action that would frustrate the purposes and intent of this Agreement, including refraining from bringing motions or supporting motions brought by third parties seeking relief that is not consistent with this Agreement.

2.02 **Process and Timetable to Implement CCAA Plan**

(1) The CannTrust Group will:

(a) file a motion on or before January 31, 2021, returnable at a hearing to be held on or before February 12, 2021 (or as soon after that date as the CCAA Court will hear the motion), seeking an order in the CCAA Proceedings (the "**CCAA Representation Order**") that, among other things:

(i) appoints the Ontario Class Action Lead Plaintiffs (or such other Person(s) as may be agreed by the Agreement Parties) to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (the "**CCAA Canadian Representatives**");

(ii) appoints the U.S. Class Action Lead Plaintiffs (or such other Person(s) as may be agreed by the Agreement Parties) to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (together with the CCAA Canadian Representatives, the "**CCAA Representatives**");

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

(iv) appoints Weisz Fell Kour LLP in association with Labaton Sucharow LLP as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims (together with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**");

(v) authorizes the Class Action Lead Plaintiffs and Class Action Counsel, each in their capacity as such, to agree to become parties to and be bound by this Agreement;

(vi) approves the manner in which notice of the CCAA Representation Order and this Agreement is to be provided to Securities Claimants; and

(vii) approves the process, if any, by which Securities Claimants may opt out of representation by the CCAA Representatives and CCAA Representative Counsel in the CCAA Proceedings (but on a basis that is without prejudice to, and does not limit or otherwise affect, the treatment that may be proposed by the CannTrust Group in the CCAA Plan of Securities Claims held by Securities Claimants that opt out);

(b) file a motion on or before February 26, 2021, returnable at a hearing to be held on or before March 12, 2021 (or as soon after such date as the CCAA Court will hear the motion), seeking an order in the CCAA Proceedings (the "**Meeting Order**") that, among other things:

(i) authorizes the CannTrust Group to file the CCAA Plan with the Court;

(ii) approves the classification of Affected Creditors contemplated by the CCAA Plan;

(iii) authorizes the CannTrust Group to send the CCAA Plan and other meeting materials to Affected Creditors in the manner provided in the order;

(iv) directs that Meetings of Affected Creditors be held;

(v) if necessary, establishes a claims procedure supplemental to the one established by the Claims Procedure Order to require Securities Claimants to prove their claims prior to a claims bar date;

(vi) if proofs of claim are required in respect of Securities Claims, authorizes the CCAA Representatives and CCAA Representative Counsel to file one or more proofs of claim on behalf of all Represented Securities Claimants;

(vii) if a vote of Securities Claimants is conducted, appoints CCAA Representative Counsel to act as proxy for the Represented Securities Claimants at the applicable Meeting; and

(viii) authorizes the Monitor, with the approval of the applicable member of the CannTrust Group, to agree to the amount of any Claim for voting purposes, including the amount of the Securities Claims of Represented Securities Claimants and Opt Out Claimants (if any);

(c) if the Meeting Order is granted, seek approval of the CCAA Plan by Affected Creditors at the Meetings;

(d) if the CCAA Plan is approved by the required majorities of Affected Creditors at the Meetings, seek approval of the CCAA Plan by the CCAA Court pursuant to the CCAA Sanction Order within ten (10) Business Days after the Meetings (or the first available date thereafter if the CannTrust Group is unable to obtain a hearing date within such period);

(e) seek to obtain the final U.S. Approval Order (with the settlement to be effective on the Plan Implementation Date); and

(f) if the CCAA Sanction Order and U.S. Approval Order are granted, seek to implement the CCAA Plan in the manner contemplated by the CCAA Plan as soon as possible and in any event, on or before the Outside Date.

(2) Any of the dates referenced in Section 2.02(1), and the Outside Date, may be extended by agreement in writing between CannTrust Holdings and Class Action Counsel.

2.03 **Support for the CCAA Plan**

The Class Action Lead Plaintiffs and Class Action Counsel agree:

(a) to cooperate with the CannTrust Group in good faith to pursue and support the restructuring of the CannTrust Group and the settlement of the Securities Claims, Securities-Related Claims and Securities-Related Section 5.1(2) Claims against the Released Parties and the treatment of the Securities-Related Indemnity Claims in the manner contemplated by this Agreement;

(b) to use all reasonable efforts to assist the CannTrust Group to meet the timetable and obtain the orders and approvals contemplated by Section 2.02(1);

(c) to vote in favour of the CCAA Plan and that, without the consent of the CannTrust Group, they will not in any way support any plan or restructuring in respect of the CannTrust Group other than the CCAA Plan and the restructuring of the CannTrust Group contemplated by this Agreement, and will vote against and otherwise actively oppose any such other plan or restructuring; and

(d) if the CCAA Representation Order is granted, they will agree to become parties to and be bound by this Agreement in their respective capacities as CCAA Representatives and CCAA Representative Counsel.

ARTICLE 3 - ADDITIONAL ACKNOWLEDGEMENTS AND AGREEMENTS

3.01 Additional Acknowledgements and Agreements of CannTrust Holdings

CannTrust Holdings acknowledges and agrees:

(a) prior to the Plan Implementation Date, CannTrust Holdings will not compromise or settle any of its potential claims against any Non-Settlement Party in relation to the Actions (whether as an Additional Settlement Party or on another basis) without the consent of the Class Action Lead Plaintiffs and Class Action Counsel;

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

(c) it will be a condition to the CCAA Plan that the Original Settlement Parties assign their Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date;

(d) pursuant to the CCAA Plan and to take effect after the CCAA Sanction Order and the U.S. Approval Order are granted, CannTrust Holdings will consent to orders:

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

(A) file an action (with Weisz Fell Kour LLP as counsel) in the Commercial List against any Non-Settlement Parties; or

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

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

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

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

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

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

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

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

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

3.02 **Additional Acknowledgements and Agreements of Class Action Lead Plaintiffs and Class Action Counsel**

The Class Action Lead Plaintiffs and Class Action Counsel acknowledge and agree:

(a) the terms of the CCAA Plan, other than those terms that relate to the settlement of the Securities Claims and any related claims (which terms will be consistent with the Term Sheet and this Agreement), will be at the sole discretion of the CannTrust Group, including any terms that relate to the proposed treatment of any Claims other than Securities Claims. Class Action Counsel shall have the opportunity to review the CCAA Plan for compliance with the Term Sheet and this Agreement;

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

(c) the Definitive Documents will include releases and injunctions in favour of the Released Parties in respect of the Released Claims and Securities-Related Section 5.1(2) Claims, including one or more orders (whether pursuant to the CCAA Sanction Order or otherwise), satisfactory to the CannTrust Group in its sole discretion, enjoining, barring and/or extinguishing the Released Claims and Securities-Related Section 5.1(2) Claims against the Released Parties to the fullest extent permitted by applicable law (including an order "channeling" the Securities-Related Section 5.1(2) Claims to the Securities Claimant Trust) (the "**Bar Order**");

(d) the Definitive Documents will provide that the Securities Claimants and the Securities Claimant Trust jointly and severally agree and undertake (A) not to seek any damages from any Co-Defendant nor threaten, make or settle any claim or take any proceeding against any other Person, which in either case could result in a Securities-Related Indemnity Claim or any other claim for damages against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the Bar Order, and (B) to obtain a full and final release satisfactory to the Released Parties if the Securities Claimants or Securities Claimant Trust settle with any Non-Settlement Parties (with the form of such release to be finalized between the Agreement Parties on or before January 29, 2021 or as soon as practicable thereafter);

(e) with respect to the U.S. Class Action:

    (i) U.S. Class Action Lead Plaintiffs and the applicable Released Parties will seek preliminary approval of the settlement in the U.S. Class Action and thereafter final approval of the settlement of the U.S. Class Action after entry of the CCAA Sanction Order. U.S. Class Action Lead Plaintiffs and the applicable Released Parties will cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the U.S. Class Action. The California Action will be voluntarily dismissed with prejudice;

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

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

(B) Any notice or administration expenses prior to the CCAA Sanction Order being granted shall be paid by the Applicants, following which such costs will be funded from the Securities Claimant Trust;

(iii) the relevant Agreement Parties will jointly seek entry of the U.S. Approval Order. Such Agreement Parties will request that the U.S. Approval Order recite that it is without prejudice to, and does not limit, the applicability of the Bar Order;

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

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

(f) all fees and costs of the Class Action Lead Plaintiffs, Class Action Counsel, the Trustee and the Securities Claimant Trust will be paid from amounts held in the Securities Claimant Trust from time to time in accordance with the terms of the Trust Declaration and any other applicable Definitive Documents and following CCAA Court Approval; and

(g) without delay after implementation of the CCAA Plan, they will cause the Actions in Canada to be dismissed against the Settlement Parties without costs.

3.03 **<u>Other Acknowledgements and Agreements</u>**

The Agreement Parties agree that:

(a) half of the Trustees will be designated by Ontario Class Action Counsel and half of the Trustees will be designated by U.S. Class Action Counsel for appointment pursuant to the Trust Declaration;

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

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

3.04 **<u>Additional Settlement Parties</u>**

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

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

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

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

ARTICLE 4 - CONDITIONS

4.01 Conditions to Implementation of CCAA Plan

(1) Unless otherwise provided in the CCAA Plan or the CCAA Sanction Order, implementation of the CCAA Plan will be conditional on the satisfaction of each of the following conditions on or before the Plan Implementation Date:

(a) the CCAA Plan will have been approved by the required majorities of Affected Creditors at the Meetings;

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

(c) the U.S. Approval Order will have been issued by the U.S. Court;

(d) to the extent not contained within the CCAA Sanction Order, the Bar Order will have been issued by the CCAA Court;

(e) the terms of the Settlement-Related Agreements and any other Definitive Documents not otherwise expressly addressed in this Section 4.01(1) will have been settled in form and substance satisfactory to each of the Agreement Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable);

(f) the conditions set out in the CCAA Plan and each of the other Definitive Documents will have been satisfied or waived in accordance with the terms of the applicable Definitive Document;

(g) all relevant Persons will have executed, delivered and filed all consents, agreements, documents and other instruments that, in the opinion of the CannTrust Group, acting reasonably, are necessary to implement the provisions of the CCAA Plan and the other Definitive Documents;

(h) all applicable consents, approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the CannTrust Group, in form and substance satisfactory to the CannTrust Group, acting reasonably; and

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

(2) In the event that any of the foregoing conditions precedent is not satisfied by the Outside Date, this Agreement will be of no further force and effect and each of the Agreement Parties will be released from any and all obligations under this Agreement and the Definitive Documents.

ARTICLE 5 - AMENDMENT AND TERMINATION

5.01 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Agreement Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Agreement Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

5.02 Termination

(1) This Agreement may be terminated prior to the Outside Date:

(a) by the CannTrust Group, on written notice to the Class Action Lead Plaintiffs and Class Action Counsel, if:

(i) the Class Action Lead Plaintiffs or Class Action Counsel fail materially to comply with any material obligation under this Agreement or any of the Definitive Documents;

(ii) the CCAA Sanction Order or the U.S. Approval Order is refused;

(iii) it is entitled to do so in accordance with the Supplemental Letter Agreement; or

(iv) the consent of the plaintiff and counsel in the California Action to the settlement of Securities Claims, Securities-Related Claims, Securities-Related Section 5.1 (2) Claims and Securities-Related Indemnity Claims on the basis contemplated by this Agreement is not obtained.

(b) by the Class Action Lead Plaintiffs and Class Action Counsel, on written notice to the CannTrust Group, if:

(i) the CannTrust Group fails materially to comply with any material obligation under this Agreement or any of the Definitive Documents, or

(ii) the CCAA Sanction Order or the U.S. Approval Order is refused.

(2) In the event that this Agreement is terminated, this Agreement will be of no further force and effect, each of the Agreement Parties will be released from any and all obligations under this Agreement and the Agreement Parties will be restored to their respective positions prior to this Agreement to the maximum extent possible.

ARTICLE 6 - GENERAL

6.01 Entire Agreement

This Agreement and the Supplemental Letter Agreement constitute the entire agreement between the Agreement Parties with respect to the subject matter hereof and cancels and supersedes any prior understanding and agreements between the Agreement Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Agreement Parties other than as expressly set forth in this Agreement or the Supplemental Letter Agreement.

6.02 Assignment

This Agreement may not be assigned by any Agreement Party without the prior written consent of the other Agreement Parties.

6.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrator, other legal representatives, successors and permitted assigns of the Agreement Parties.

6.04 No Third Party Beneficiaries

This Agreement is solely for the benefit of the Agreement Parties and their respective heirs, executors, administrators, other legal representatives, successors and permitted assigns, and this Agreement will not be deemed to confer upon or give to any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

6.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the CannTrust Group:

c/o CannTrust Holdings Inc.
7300 Keele Street, Suite 200
Vaughan ON L4K 0E5

Fax No.:	1-844-295-6641
Attention:	Greg Guyatt
E-mail:	gguyatt@canntrust.ca

with a copy to:

McCarthy Tétrault LLP
Suite 4700, Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6

Fax No.:	416 868-0673
Attention:	Jamey Gage, Paul Steep and Shane D'Souza
E-mail:	jgage@mccathy.ca; psteep@mccarthy.ca; sdsouza@mccarthy.ca

To the Class Action Lead Plaintiffs and Class Action Counsel:

c/o Class Action Counsel at the street addresses, facsimile numbers or e-mail addresses (as the case may be) set forth below on the signature pages for Class Action Counsel,

or to such other street address, facsimile number or e-mail address as may be designated by notice given by an Agreement Party to the other Agreement Parties. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

6.06 **Governing Law**

This Agreement will be governed by and construed in accordance with the laws the Province of Ontario and the laws of Canada applicable therein, without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction.

6.07 **Attornment**

For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the CCAA Court will have jurisdiction to determine any dispute arising under this Agreement.

6.08 **English Language**

The Agreement Parties hereto have expressly agreed that this Agreement be executed in the English Language. Les parties ont expressément convenu que la présente Convention soit rédigée en langue anglaise.

6.09 **No Curative Provision**

A breach of any term of this Agreement is a breach of the entire agreement by the defaulting or breaching Agreement Party.

6.10 **Counterparts**

This Agreement (and any modifications, amendments, supplements or waivers in respect hereof) may be executed in any number of counterparts by manual or facsimile signature of each undersigned Agreement Party, each of which when executed and delivered will be deemed to be an original and all of which when taken together will constitute one and the same agreement. This Agreement may be delivered by facsimile or email.

IN WITNESS WHEREOF the Agreement Parties have executed this Agreement.

THE CANNTRUST GROUP:

CannTrust Holdings Inc.

By: ______________________
(Authorized Signature)

CannTrust Inc.

By: ______________________
(Authorized Signature)

CTI Holdings (Osoyoos) Inc.

By: ______________________
(Authorized Signature)

Elmcliffe Investments Inc.

By: ______________________
(Authorized Signature)

ONTARIO CLASS ACTION LEAD PLAINTIFFS:

Witness:	**Patrick Hrusa**
Witness:	**Dharambir Singh**

ONTARIO CLASS ACTION LEAD PLAINTIFFS:

Witness:	**Patrick Hrusa**
Gurpreet Kalsi	Dharambir Singh
Witness:	**Dharambir Singh**
GURPREET KALSI	

ONTARIO CLASS ACTION COUNSEL:

for: **A. Dimitri Lascaris Law Professional Corporation**

By: ______________________________
(Authorized Signature)

Address for Notices:

Street Address:	
Facsimile:	
Attention:	Dimitri Lascaris
Email Address:	alexander.lascaris@gmail.com

Henein Hutchinson LLP

By: ______________________________
(Authorized Signature) S. HUTCHISON

Address for Notices:

Street Address:	235 KING ST. E.
	TORONTO, ONTARIO
	M5A 1J9
Facsimile:	416 368-6640
Attention:	Marie Henein
Email Address:	mhenein@hhllp.ca

Kalloghlian Myers LLP

By: ______________________________
(Authorized Signature)

Address for Notices:

Street Address: ____________________
____
____
Facsimile: ____________________
Attention: Serge Kalloghlian
Email Address: serge@kalloghlianmyers.com

Strosberg Sasso Sutts LLP

By: ______________________________
(Authorized Signature)

Address for Notices:

Street Address: ____________________
____
____
Facsimile: ____________________
Attention: David Wingfield
Email Address: dwingfield@strosbergco.com

U.S. CLASS ACTION LEAD PLAINTIFFS:

Granite Point Master Fund, LP

By: ______________________
(Authorized Signature)

Granite Point Capital Scorpion Focussed Ideas Fund

By: ______________________
(Authorized Signature)

U.S. CLASS ACTION COUNSEL:

Labaton Sucharow LLP

By: ______________________
(Authorized Signature)

Address for Notices

Street Address: 140 BROADWAY
23RD Floor
NY NY 10005
Facsimile: 212 818 0477
Attention: JAMES W. JOHNSON
Email Address: JJOHNSON@LABATON.COM

Weisz Fell Kour LLP

By: ______________________
(Authorized Signature)

Address for Notices:

Street Address: 100 King St. W.
Suite 5600
Toronto, ON M5X 1C9
Facsimile: 416.613.8290
Attention: Steve Weisz
Email Address: sweisz@wfklaw.ca

SCHEDULE A

Actions

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE B

Term Sheet

Proposed Settlement Framework
Securities Claimants and CannTrust (collectively, the "Parties")

<u>Settlement Framework</u>

1. The "**Cash Contribution**" is comprised of:

   (a) a voluntary contribution by the insurers in an amount acceptable to Class Counsel (defined below), failing which the claims of CannTrust and the Original Settlement Parties against the insurers will be assigned to the Securities Claimants Trust (defined below);

   (b) voluntary contributions by any Additional Settlement Parties (defined below) in amounts acceptable to Class Counsel; and

   (c) an additional contribution of $50M by CannTrust.

2. The Cash Contribution will be paid to a trust (the "**Securities Claimants' Trust**") for the benefit of the Plaintiffs and putative class members in the proposed class action(s) brought in Ontario by the Consortium (the "**Ontario Class Action**") and in the United States by Labaton Sucharow (the "**US Class Action**", and collectively with the Ontario Class Action, the "**Actions**") (collectively, counsel for the Plaintiffs in the Ontario Class Action and the US Class Action are "**Class Counsel**") and described below, and such other claimants (collectively, the "**Securities Claimants**") as may be agreed to by CannTrust and Class Counsel.

3. The trustees of the Securities Claimants' Trust (the "**Trustees**") will be those members of the law firms comprising Class Counsel as selected by Class Counsel with half of the Trustees appointed by counsel for the Ontario Class Action and the other half appointed by counsel for the US Class Action. The Trustees will appoint Class Counsel as counsel to the Securities Claimants' Trust. The Trustees of the Securities Claimants' Trust will have the power and discretion to prosecute or settle the claims held by the Securities Claimants' Trust as described herein.

4. This settlement also is contingent on obtaining the agreement of the Plaintiff in the California state court action (the "**California Action**") to all terms hereof .

5. CannTrust and Class Counsel will cooperate in good faith during the mediation and the pendency of the CCAA proceedings to seek a mutually-agreeable settlement with and contribution from (A) each other person or entity named as a defendant in the Actions and/or (B) that is an insurer of (i) an Original Settlement Party (defined below), or (ii) a defendant in the Actions that is a current or former director or officer of CannTrust (together, the **"Other Parties**" and each such Other Party that settles, an "**Additional Settlement Party**"), except for Shawna Page, Robert Marcovitch, Mark Dawber, John Kaden, Mitchell Sanders,

Greg Guyatt, Ilana Platt and Cajun Capital Corporation (collectively with CannTrust, the "**Original Settlement Parties**"; the Original Settlement Parties and the Additional Settlement Parties, if any, are collectively the "**Released Parties**").

6. During the mediation and pendency of the CCAA proceedings, CannTrust will not compromise or settle any of its potential claims against any of the Other Parties without Class Counsel's consent.

7. In the case of any Other Parties that are not the Released Parties ("**Non-Settlement Parties**") at the time that CannTrust implements its CCAA plan of arrangement (the "**CCAA Plan**"), CannTrust will assign to the Securities Claimants' Trust all claims that CannTrust (or its affiliates) has against the Non-Settlement Parties arising out of loss or damage caused to CannTrust in relation to the allegations in the Actions up to the date the court approves the CCAA Plan (the "**CannTrust Claims**"), and all claims that each of the other Original Settlement Parties has against the insurers in relation to the facts alleged in the Actions (collectively with the CannTrust Claims, the "**Assigned Claims**").

8. Class Counsel, counsel for the Securities Claimants' Trust (collectively, "**Prosecution Counsel**") and CannTrust will negotiate a Cooperation Agreement. The Cooperation Agreement will stipulate, among other things, the general principles stated in Appendix "A".

9. Pursuant to the CCAA Plan, and conditional on the plaintiffs in the Actions or Class Counsel, acting on behalf of the Securities Claimants**,** voting in favour of the CCAA Plan and approval of the CCAA Plan by the Court, CannTrust will consent to orders:

   (i) (a) appointing the law firm of Weisz Fell Kour LLP , in association with Labaton Sucharow LLP, as the Canadian representative for plaintiffs in the US Class Action; and (b) allowing US plaintiffs to file an action (with Weisz Fell Kour LLP as counsel) on the Commercial List against any Non-Settlement Parties, or establish a subclass in the Ontario Class Action, with a class defined in same way as the class is defined in the US Class Action and subject to US law in respect to the causes of action (the "**Cross-Border Action"**);

   (ii) continuing the Representation Order (described below) permitting the plaintiffs in the Actions to settle the Ontario Class Action, US Class Action, and Cross-Border Action or prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of such order;

   (iii) approving any settlement with the Non-Settlement Parties; approving notice to members of the Canadian Class Action and US Class Action further to the such settlements; a distribution protocol (*i.e.* plan of allocation) setting forth the distribution of the funds to class members from the Securities Claimants' Trust (less attorneys' fees and litigation expenses) that is consistent with the Securities Claimants' Trust's obligations in paragraph 11 herein; and approving Class Counsel's request for attorneys' fees to be paid from the Securities Claimants' Trust;

(iv) permitting the plaintiffs in the Ontario Class Action to apply to the Commercial List and obtaining an expedited hearing for an order granting leave under the Securities Act (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(v) at Class Counsel's option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Commercial List and obtaining an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the Class Proceedings Act (Ontario) against any Non-Settlement Parties;

(vi) directing an expedited hearing date on the Commercial List of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the Class Proceedings Act (Ontario) or pursuant to the Commercial List's statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

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

(viii) prohibiting any other action from being commenced or prosecuted against any Released Parties or any Non-Settlement Parties alleging facts substantially the same or similar as those alleged in the Actions Cross-Border Action or the Assigned Claims held by the Securities Claimants' Trust.

10. The Securities Claimants' Trust and Class Counsel agree that where the aggregate amount recovered from the Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or prosecution of the Class Actions and Assigned Claims, exceeds $250 million net of litigation fees and expenses then CannTrust will be entitled to receive in staged amounts to be agreed up to the settlement amount of $50 million.

11. In relation to the CCAA Plan, whether in the sanction order or a separate order, the Court will grant an order, satisfactory to the Released Parties, enjoining, barring and/or extinguishing to the fullest extent permitted by applicable law all claims against the Released Parties in any jurisdiction that have been asserted in the Actions or are based on the events giving rise to the Actions, and all potential claims relating to those claims, including all indemnity, contribution and set off claims, as well as all claims that relate to or arise out of facts and transactions alleged in any of the pending actions against CannTrust or the Released Parties in any jurisdiction (the "**Bar Order**"). Additionally:

    (a) The Securities Claimants and the Securities Claimants' Trust jointly and severally agree and undertake (i) not to seek any damages from any defendant, (ii) not to threaten, make or settle any claim or take any proceeding against any other person or entity, which in either case might result in a claim over, contribution or indemnity or any other claim for damages, being made against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the Bar Order, and (iii) to obtain a full and final release satisfactory to the Released Parties and to be finalized with the Securities Claimants and the Securities Claimants Trust on or before January 31, 2021, if the Securities Claimants or the Securities Claimants' Trust settle with any Non-Settlement Parties;

    (b) Class Counsel and the representative plaintiffs will enter into a supplemental letter containing additional terms that are confidential.

12. The Securities Claimants will support a CCAA Plan and Court Orders in Canada and the United States, and sign appropriate agreements, releases and other documents acceptable to the Released Parties which shall include, without limitation, releases of all United States and Canadian claims against the Released Parties, and documents reasonably necessary and acceptable to CannTrust in order for it to exit CCAA protection. This also includes settlement papers in the United States class actions, whereby releases will be approved by the Court releasing all United States-based federal and state claims.

13. With respect to the US Action:

    (a) Class Counsel and the applicable Released Parties will seek preliminary approval of the settlement in the US Class Action after the CCAA sanction order is granted. Class Counsel and the applicable Released Parties shall cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the US Class Action. The California Action shall be voluntarily dismissed with prejudice;

    (b) The parties shall endeavor to rely on notices given in the CCAA proceedings to the maximum extent practicable.

    (c) Any notice provided in connection with the settlement shall caution putative class members that Class Counsel and the applicable Released Parties believe that the claims of any opt-outs have been barred by the CCAA sanction order and principles of comity;

(d) The final order in the US Class Action (the "**US Approval Order**") shall contain customary broad releases by the putative class of any claims that were or could have been asserted in the Actions (including the California Action).

(e) US Approval Order shall contain a bar order in customary form (the "**US Settlement Discharge**"), which will contain such judgment reduction provisions as may be required by the *Private Securities Litigation Reform Act*. The Parties shall request that the US Approval Order recite that the US Settlement Discharge is without prejudice to and does not limit the applicability of the Bar Order.

(f) Class Counsel shall request that the US Class Action be stayed against the Non-Settlement Parties to enable these claims to be litigated in Cross-Border Action.

(g) The US Class Action shall be dismissed after the Cross-Border Action is initiated.

(h) At the option of the Original Settlement Parties, the settlement may be terminated if: (i) the court in the US Class Action does not approve a settlement containing classwide releases and the US Settlement Discharge in a form acceptable to the Original Settlement Parties; or (ii) if they are otherwise entitled to do so pursuant to the supplemental letter.

<u>Process to Implement Proposed Settlement</u>

1. Pursuant to the Mediation, CannTrust will seek to negotiate and enter into a restructuring support agreement (the "**RSA**") with Class Counsel pursuant to which the Parties would agree to pursue the settlement of all claims by the Securities Claimants and related matters on terms consistent with the "Settlement Framework" above, which will be reflected in a term sheet (the "**Term Sheet**") and attached to the RSA (some of which settlement terms are summarized in paragraph 4 below), following the steps and process described below. The RSA would include other terms customary for a support agreement in a CCAA context and would be in form and content satisfactory to the parties.

2. After the RSA is settled and signed, CannTrust will seek a representation order in the CCAA proceedings ("**Representation Order**"). The order will amongst other things:

(a) appoint the plaintiffs in the Ontario Class Action as the court-appointed representatives of all holders of Securities Claims in Canada ("**Canadian Securities Claimants**") for the purposes of the CCAA proceedings (the "**Canadian Representatives**") and appoint Class Counsel in the Ontario Class Action as counsel for the Canadian Representatives in the CCAA proceedings, with authority to act on behalf of all Canadian Securities Claimants in the CCAA proceedings and for the purposes of carry out the transactions contemplated in the RSA;

(b) appoint the plaintiffs in the US Action as the court-appointed representatives of all holders of Securities Claims in the US ("**US Securities Claimants**") for the purposes of the CCAA proceedings (the "**US Representatives**" and collectively with the Canadian Representatives, the "**Representatives**") and appoint Class Counsel in the

US Action as counsel for the US Representatives in the CCAA proceedings, with authority to act on behalf of all US Securities Claimants in the CCAA proceedings and for the purposes of carry out the transactions contemplated in the RSA; and

(c) establish a process to notify Securities Claimants of the appointment of the Representatives and their counsel and the terms of the settlement contemplated by the RSA, and if necessary, an opportunity for individual Securities Claimants to opt out of representation by the applicable Representatives for the purposes of the CCAA proceedings (the "**Opt Out Claimants**").

3. Any notice or administration expenses prior to the CCAA Sanction Order being granted shall be paid by the Applicants, following which such costs will be funded from the Securities Claimant Trust.

4. CannTrust and the Representatives (with assistance from counsel), consistent with their obligations under the RSA, will negotiate and finalize the terms of the CCAA Plan, the form of CCAA sanction order to be proposed to the court and other definitive documents. The CCAA Plan would contemplate the following features, among other things, consistent with the Term Sheet attached to the RSA:

(a) the creation of the Securities Claimants' Trust on or before the plan implementation date, to which contributions from CannTrust and any Additional Settlement Party would be made to fund distributions to Securities Claimants;

(b) appointing the Trustees and counsel to the Securities Claimants' Trust as contemplated in section 3 of the settlement framework above;

(c) the payment by the insurers, if applicable, on the plan implementation date, of their share of the Cash Contribution to the Securities Claimants Trust;

(d) the payment by CannTrust, on the plan implementation date, of its share of the Cash Contribution to the Securities Claimants Trust;

(e) the payment by the other Settlement Parties, if applicable, on the plan implementation date, of their respective contributions to the Securities Claimants Trust;

(f) the assignment of the Assigned Claims to the Securities Claimants Trust on the plan implementation date;

(g) broad releases in favour of the Released Parties by way of:

(i) the CCAA Plan and sanction order;

(ii) the US Approval Order; and

(iii) a contractual release, authorized by the CCAA Plan and sanction order and delivered by the Representatives on behalf of Securities Claimants (other than Opt Out Claimants);

(h) to the fullest extent permitted by applicable law and without limitation to the releases described above, a sanction order that enjoins Non-Settlement Parties in any jurisdiction from asserting any claims against the Released Parties that have been asserted in the Actions or are based on the events giving rise to the Actions, and all potential claims relating to those claims, including all indemnity, contribution and set off claims, as well as all claims that relate to or arise out of facts and transactions alleged in any of the pending actions against CannTrust or the Released Parties; and

(i) after the CCAA sanction order and US approval order are obtained, CannTrust will consent to:

(i) (a) appointing the law firm of Weisz Fell Kour LLP as the Canadian representative for plaintiffs in the US Class Action; and (b) allowing US plaintiffs to file the Cross-Border Action;

(ii) continuing the Representation Order permitting the plaintiffs in the Actions to settle the Ontario Class Action, US Class Action, and Cross-Border Action or prosecute the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the terms of this order;

(iii) approving any settlement with the Non-Settlement Parties; approving notice to members of the Canadian Class Action and US Class Action further to such settlements; a distribution protocol (*i.e.* plan of allocation) setting forth the distribution of the funds to class members from the Securities Claimants' Trust (less attorneys' fees and litigation expenses) that is consistent with the Securities Claimants' Trust's obligations to Released Parties; and approving Class Counsel's request for attorneys' fees to be paid from the Securities Claimants' Trust;

(iv) permitting the plaintiffs in the Ontario Class Action to apply to the Commercial List and obtaining an expedited hearing for an order granting leave under the Securities Act (Ontario) further to their prosecution or settlement of the Ontario Class Action against any Non-Settlement Parties;

(v) at Class Counsel's option, permitting the plaintiffs in the Ontario Class Action and Cross-Border Action to apply to the Commercial List and obtaining an expedited hearing for an order certifying the Ontario Class Action and Cross-Border Action under the Class Proceedings Act (Ontario) against any Non-Settlement Parties;

(vi) directing an expedited hearing date on the Commercial List of the claims in the Ontario Class Action and Cross-Border Action against any Non-Settlement Parties under the provisions of the Class Proceedings Act

(Ontario) or pursuant to the Commercial List's statutory or discretionary powers on behalf of the classes defined in the Ontario Class Action and Cross-Border Action;

(vii) permitting the Securities Claimants' Trust to obtain on an expedited basis a joint trial date for the claims in the Ontario Class Action, Cross-Border Action and any of the Assigned Claims including the claims of the Securities Claimants' Trust against KPMG and/or any other Non-Settlement Parties as the Securities Claimants' Trust chooses; and

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

5. CannTrust would file its CCAA Plan with the court and bring a related motion for (i) if necessary, a claims process in respect of Securities Claims and (ii) a meeting order (the "**Meeting Order**"). Among other things, the Meeting Order would:

(a) order creditor meetings to be held to enable affected creditors (including, if necessary, Securities Claimants including Opt Out Claimants), or their proxies, to vote on the CCAA Plan;

(b) approve the form of materials to be distributed and the notice procedures for the meetings;

(c) if a supplemental claims process and/or a vote is conducted, authorize the Representatives to file a "global" proof of claim in the CCAA claims process, and act as voting proxy, on behalf of all Securities Claimants other than the Opt Out Claimants. Purely for voting purposes, the number of Securities Claimants and aggregate amount of the claims for which the Representatives act as proxy would be agreed by CannTrust and the Representatives and confirmed in the Meeting Order; and

(d) if a supplemental claims process and/or a vote is conducted, require each of the Opt Out Claimants to prove the amount of its Securities Claim individually, although CannTrust with Monitor approval would be authorized to consent to the amount of individual Securities Claims by Opt Out Claimants for voting purposes only.

6. Creditor meetings would be held to vote on the CCAA Plan in accordance with the Meeting Order.

7. If the CCAA Plan is approved by the requisite majorities of affected creditors, CannTrust will bring a motion for the CCAA sanction order in respect of the CCAA Plan. If approved by the CCAA court, the CCAA Plan will be binding on all Securities Claimants including Opt Out Claimants (subject to the CCAA Plan thereafter being implemented in accordance

with its terms).

8. After the CCAA sanction order is granted, CannTrust and the US Representatives would seek approval of the US Approval Order.

9. After the US Approval Order is granted, CannTrust with the support of the Representatives would proceed to implement the CCAA Plan and the transactions contemplated by the definitive documents on the plan implementation date, including:

    (a) funding of the Cash Contributions and assignment of the Assigned Claims to the Securities Claimant Trust;

    (b) delivery of the contractual releases;

    (c) dismissal of all actions in the US and Canada as against the Released Parties;

    (d) disbursement of funds from the Securities Claimants' Trust to the extent permitted by the definitive documents; and

    (e) provision by CannTrust of the information and cooperation contemplated in the RSA in relation to the Assigned Claims, as summarized in Schedule C.

SCHEDULE C

Cooperation Agreement – General Principles

A. A material factor influencing CannTrust's decision to execute the Cooperation Agreement is the desire to limit its burden and expense in complying with the agreement. Accordingly, Prosecution Counsel agree to exercise good faith in seeking cooperation from CannTrust and agree not to seek information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burdens or expense on CannTrust.

B. The scope of CannTrust's cooperation shall be limited to the allegations asserted in the Actions as presently filed and the Assigned Claims.

C. All cooperation shall be coordinated in such a manner so that all unnecessary duplication and expense is avoided.

D. CannTrust shall not be required to provide cooperation: (i) in violation of any law or Order from a court of competent jurisdiction; (ii) that waives any privilege; or (iii) with regard to conduct outside the scope of the Assigned Claims.

E. Within ● days after the CCAA Plan is implemented:

(a) CannTrust will provide all non-privileged documents (including electronically stored documents) relevant to the Actions and the Assigned Claims in a form mutually acceptable to the Parties. CannTrust makes no representation regarding, and shall bear no liability with respect to, the accuracy of, or that they have, can or will produce a complete set of any of the documents or information, and the failure to do so shall not constitute a breach or violation of the Cooperation Agreement.

(b) If any documents protected by any privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege, doctrine or law, and/or any privacy law or other rule or law of Ontario, Quebec or any other jurisdiction, are accidentally or inadvertently disclosed or produced, such documents shall be promptly returned to CannTrust and the documents and the information contained therein shall not be disclosed or used directly or indirectly, except with the express written permission of CannTrust, and the production of such documents shall in no way be construed to have waived in any manner any privilege, doctrine, law, or protection attached to such documents.

(c) CannTrust's counsel will meet with Prosecution Counsel to provide an evidentiary proffer which will include information that is not covered by privilege, including solicitor-client, litigation, attorney work product, settlement, common-interest or joint defence privilege, or any other privilege relating to the Actions and the Assigned Claims. The Parties agree that there shall be no audio or video recording or written transcription or record of any statements made or information provided by CannTrust's counsel at the proffer, and that Prosecution Counsel may only make written notes of their own thoughts and impressions at the proffer for the purpose of formulating legal advice, pursuing litigation and/or for the purpose of advancing settlement discussions in the interests of the Securities Claimants and the Securities Claimant Trust, as applicable. Notwithstanding any other provision of the Cooperation Agreement, and for greater certainty, it is agreed that any such written notes, and all statements made and information provided by CannTrust's counsel are privileged, will be kept strictly confidential, may not be directly or indirectly disclosed to any other party, and shall not be used by Prosecution Counsel for any purpose other than for their own internal use in connection with the prosecution of the Actions and Assigned Claims and for no other purpose whatsoever.

F. Prosecution Counsel agree that all documents and information made available or provided by CannTrust under the Cooperation Agreement shall be used only in connection with the prosecution of the Actions and the Assigned Claims, and shall not be used directly or indirectly for any other purpose, except to the extent that the documents or information are already publicly available prior to the time of production from CannTrust or subsequently become publicly available other than through the actions of Prosecution Counsel, the Securities Claimants or the Securities Claimant Trust. Prosecution Counsel agree they shall not disclose the documents and information provided by CannTrust beyond what is reasonably necessary for the prosecution of the Actions or Assigned Claims or as otherwise required by law, and acknowledge that they are bound by the deemed undertaking and Rule 30.1 of the Rules of Civil Procedure and the equivalent rules in other Provinces or jurisdictions, except to the extent that the documents or information are publicly available.

G. Prosecution Counsel may request to interview certain of CannTrust's current or former officers, directors or employees under oath. CannTrust will make best efforts to encourage witnesses to attend the interviews but will not compel witnesses to provide witness statements or other testimony under oath.[1] The Securities Claimant Trust will bear the reasonable costs of counsel retained by CannTrust and witnesses to assist in their interactions with Prosecution Counsel. It shall not be a breach of cooperation if any person or entity asserts any right against self-incrimination or similar privilege.

H. The Securities Claimants and the Securities Claimant Trust agree that section 7 is the exclusive means by which they may obtain discovery or information or documents from CannTrust's current or former officers, directors or employees. They agree not to pursue any other means of discovery against, or seek to compel the evidence of CannTrust's current or former officers, directors or employees, whether in Canada or elsewhere and whether under the rules or laws of this or any other Canadian or foreign jurisdiction, unless that person does not cooperate pursuant to section 7.

I. Subject to the rules of evidence or any court Order, CannTrust agrees to use reasonable efforts to produce at trial or through acceptable affidavits for use at trial a current representative qualified to establish the authenticity of the documents provided by CannTrust pursuant to the Cooperation Agreement (after Class Counsel and counsel for the Securities Claimant Trust, as applicable, has used best efforts to authenticate documents for use at trial without a live witness).

[1] **NTD:** CannTrust has taken the same position with law enforcement since July 2019.

J. To the extent any of CannTrust's cooperation obligations require any current or former employees of CannTrust to travel from their principal place of business or residence to another location, the Securities Claimant Trust shall reimburse that person for reasonable expenses incurred by any such person in connection with fulfilling CannTrust's cooperation obligations.

K. The failure of a specific officer, director, employee or former employee of CannTrust to agree to make him or herself available shall not constitute a violation of the Cooperation Agreement.

L. Any dispute regarding the Cooperation Agreement will not invalidate the CCAA Plan and shall be resolved by way of confidential mediation/arbitration, in a manner to be agreed among the Parties.

APPENDIX "B"
CLAIMS SUMMARY

CannTrust Holdings Inc. and affiliates
Summary of Claims Process
Status as at May 19, 2021

Disclaimer: This summary is a point in time and subject to change. The status and quantities will change as the claims are reviewed, proven, disallowed, disputed and resolved.
Amounts are shown in Canadian Dollars. Claims in foreign currencies are converted into Canadian Dollars using March 31, 2020 Bank of Canada exchange rates.

	Total Claims Filed		Under Review		Notice of Disallowance Sent and Dispute Period not Lapsed			Disputed		Disallowed or withdrawn		Final Accepted	
Claims	Count	Amount	Count	Amount	Count	Amount Accepted	Amount Disallowed	Count	Amount	Count	Amount	Count	Amount
SECURED													
CannTrust Holdings Inc.													
Trades	1	47,799	-	-	-	-	-	-	-	1	47,799	-	-
Subtotal	**1**	**47,799**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**47,799**	**-**	**-**
CannTrust Inc.													
Trades	6	1,822,363	-	-	-	-	-	-	-	3	1,715,924	3	106,439
Equity and D&O	2	3,138,406	-	-	-	-	-	-	-	2	3,138,406	-	-
Intercompany	1	241,717,044	1	241,717,044	-	-	-	-	-	-	-	-	-
Subtotal	**9**	**246,677,813**	**1**	**241,717,044**	**-**	**-**	**-**	**-**	**-**	**5**	**4,854,330**	**3**	**106,439**
CTI Holdings (Osoyoos) Inc.													
Trades	1	47,799	-	-	-	-	-	-	-	1	47,799	-	-
Equity and D&O	2	3,138,406	-	-	-	-	-	-	-	2	3,138,406	-	-
Subtotal	**3**	**3,186,205**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**3,186,205**	**-**	**-**
Elmcliffe Investments Inc.													
Trades	2	119,611	-	-	-	-	-	-	-	2	119,611	-	-
Equity and D&O	2	3,138,406	-	-	-	-	-	-	-	2	3,138,406	-	-
Subtotal	**4**	**3,258,017**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**3,258,017**	**-**	**-**
Blank													
Employees - Late Claim*	1	5,183	1	5,183	-	-	-	-	-	-	-	-	-
Subtotal	**1**	**5,183**	**1**	**5,183**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Secured	**18**	**253,175,017**	**2**	**241,722,227**	**-**	**-**	**-**	**-**	**-**	**13**	**11,346,351**	**3**	**106,439**
UNSECURED													
CannTrust Holdings Inc.													
Employees	1	221,124	-	-	-	-	-	-	-	1	221,124	-	-
Trades	7	634,223	-	-	-	-	-	-	-	-	-	7	634,223
Government	1	-	1	-	-	-	-	-	-	-	-	-	-
Indemnity - Late Claim*	1	1,000,000	-	-	-	-	-	-	-	1	1,000,000	-	-
Indemnity and other	1	12,801,688	-	-	-	-	-	-	-	1	12,801,688	-	-
Subtotal	**11**	**14,657,035**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**14,022,812**	**7**	**634,223**
CannTrust Inc.													
Employees	132	3,055,750	-	-	-	-	-	-	-	3	2,345,688	129	710,062
Trades	72	68,868,466	-	-	-	-	-	-	-	5	67,106,528	67	1,761,938
Trades - Late Claims*	3	87,920	3	87,920	-	-	-	-	-	-	-	-	-
Indemnity	1	1,500,000	-	-	-	-	-	-	-	1	1,500,000	-	-
Government	1	-	-	-	-	-	-	-	-	1	-	-	-
Subtotal	**209**	**73,512,136**	**3**	**87,920**	**-**	**-**	**-**	**-**	**-**	**10**	**70,952,216**	**196**	**2,472,000**

CannTrust Holdings Inc. and affiliates
Summary of Claims Process
Status as at May 19, 2021

Disclaimer: This summary is a point in time and subject to change. The status and quantities will change as the claims are reviewed, proven, disallowed, disputed and resolved.
Amounts are shown in Canadian Dollars. Claims in foreign currencies are converted into Canadian Dollars using March 31, 2020 Bank of Canada exchange rates.

	Total Claims Filed		**Under Review**		**Notice of Disallowance Sent and Dispute Period not Lapsed**			**Disputed**		**Disallowed or withdrawn**		**Final Accepted**	
Claims	Count	Amount	Count	Amount	Count	Amount Accepted	Amount Disallowed	Count	Amount	Count	Amount	Count	Amount
CTI Holdings (Osoyoos) Inc.													
Government	1	-	-	-	-	-	-	-	-	1	-	-	-
Intercompany	1	5,099,076	1	5,099,076	-	-	-	-	-	-	-	-	-
Subtotal	**2**	**5,099,076**	**1**	**5,099,076**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
Elmcliffe Investments Inc.													
Promissory Note	1	400,000	-	-	-	-	-	-	-	-	-	1	400,000
Government	1	-	-	-	-	-	-	-	-	1	-	-	-
Intercompany	2	6,980,203	2	6,980,203	-	-	-	-	-	-	-	-	-
Subtotal	**4**	**7,380,203**	**2**	**6,980,203**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**400,000**
Blank													
Employees - Late Claim*	1	5,183	1	5,183	-	-	-	-	-	-	-	-	-
Employees	2	74,054	2	74,054	-	-	-	-	-	-	-	-	-
Subtotal	**3**	**79,237**	**3**	**79,237**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Unsecured	**229**	**100,727,687**	**10**	**12,246,436**	**-**	**-**	**-**	**-**	**-**	**15**	**84,975,028**	**204**	**3,506,223**
Grand Total	**247**	**353,902,704**	**12**	**253,968,663**	**-**	**-**	**-**	**-**	**-**	**28**	**96,321,379**	**207**	**3,612,662**
						(a)							(b)

* Late Claims must be admitted by the Court.

Total Claims Proven and Accepted to Date

	(a) + (b)
Unsecured only	**3,506,223**
All Claims	**3,612,662**

Total Claims Proven and Accepted to Date by Entity

	(a) + (b)
CannTrust Holdings Inc.	**634,223**
CannTrust Inc.	**2,578,439**
CTI Holdings Inc.	**-**
Elmcliffe Investments Inc.	**400,000**

APPENDIX "C"
AMENDED CCAA PLAN

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.

Applicants

FIRST AMENDED & RESTATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION OF CANNTRUST HOLDINGS INC., CANNTRUST INC., and ELMCLIFFE INVESTMENTS INC.

May 21, 2021

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FIRST AMENDED & RESTATED
PLAN OF COMPROMISE, ARRANGEMENT
AND REORGANIZATION

This is the first amended & restated 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;

(ii) Ian Abramowitz;

(iii) the Underwriters;

(iv) Eric Paul and the Paul Family Trust; and

(v) 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 Elmcliffe.

"**Cash Contributions**" means, collectively:

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

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

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

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

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

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

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

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

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

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

"**CCAA 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 (Osoyoos) 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 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, Co-Defendant or other Person 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).

“**Underwriters**” means Canaccord Genuity Corp., Canaccord Genuity LLC, Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., Credit Suisse Securities (USA) LLC, Jefferies Securities, Inc, Jefferies LLC, Merrill Lynch Canada Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and RBC Dominion Securities Inc.

"**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 <u>**Affected Claims and Released Claims**</u>

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 <u>**Unaffected Claims**</u>

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 who is not a Settlement Party 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 Elmcliffe with Proven Claims that are General Unsecured Claims (Elmcliffe) will receive in full satisfaction of such Proven Claims, payment of the amount of such Proven Claims pursuant to a payment schedule to be agreed with the CannTrust Plan Companies and such Creditor.

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

3.5 **Treatment of Securities Claims**

(1) At the Effective Time:

(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 and, to the extent applicable, any other Settlement-Related Agreements to which one or more of the Securities Claimants and the Securities Claimant Trust are parties.

(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 **<u>Articles of Reorganization</u>**

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 **<u>Restructuring Steps</u>**

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 in accordance with Section 3.8 and Article 7 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 <u>**Allocation of Distributions**</u>

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

(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 that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise (including with respect to an Assigned Claim) against a Co-Defendant that is 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; (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 applicable provision of 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.

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 that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise (including with respect to an Assigned Claim) against a Co-Defendant that is a Non-Settlement Party are permanently and forever barred, estopped, stayed and enjoined;

(m) order that a Co-Defendant on motion to the applicable court on at least thirty (30) days' notice to counsel for each applicable Settlement Party, but 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, may 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 such order will not 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 such order will not 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 21st day of May, 2021.

CannTrust Holdings Inc.
CannTrust Inc.
Elmcliffe Investments Inc.

SCHEDULE A
ACTIONS

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE B
ALLOCATION AND DISTRIBUTIONS SCHEME

ALLOCATION AND DISTRIBUTION SCHEME
Distribution of Class Compensation Fund to Members

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. OBJECTIVE

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

III. DEADLINE FOR CLAIMS

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

IV. PROCESSING CLAIM FORMS

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

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

(i) the Claimant is a Class Member; and

(ii) the claim is not an Excluded Claim;

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

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

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

(iii) the claim is not an Excluded Claim.

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

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

V. ALLOCATION OF CLASS COMPENSATION FUND

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

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

9. As soon as possible after (i) all timely Claim Forms have been processed (and those otherwise-valid late Claim Forms that the Claims Administrator has exercised its discretion to

permit); (ii) the time to request a reconsideration for disallowed claims under paragraphs 26-27 has expired; and (iii) all administrative reviews under paragraphs 28-29 have concluded, the Claims Administrator shall distribute the Class Compensation Fund to eligible Claimants.

10. The Claims Administrator shall determine each Claimant's Recognized Claim as follows, subject to the Additional Rules set out at paragraphs 14-19.

(a) Purchase/acquisition and sale amounts in currencies other than Canadian dollars will be converted to equivalent Canadian dollar amounts as needed using publicly available currency exchange rates and in consultation with Class Counsel.[1]

(b) Eligible Securities are those purchased in CannTrust's May 2019 share offering (**"Offering Shares"**) and those purchased on the secondary market (**"Secondary Shares"**).

(c) The "**Recognized Loss Amount"** per Offering Share and Secondary Share purchased/acquired during the Class Period is calculated as follows, with reference to the Share Inflation as set out in Table C at paragraph 11. The Recognized Loss Amount for any particular disposition of Eligible Securities shall be no less than zero.

TABLE A

Date of Sale of Shares acquired during the Class Period	Recognized Loss Amount per Share
June 1, 2018 – July 7, 2019	$0
July 8, 2019 – September 16, 2019	The lesser of: (i) the Share Inflation on the date of purchase minus the Share Inflation on the date of sale; or (ii) the Purchase Price minus the Sale Price.

[1] For informational purposes, during the Class Period, the USD/CAD exchange rate ranged from CAD$1.28 to CAD$1.36 per US$1.00 with an average of CAD$1.32 per US$1.00. After the Class Period and through March 4, 2021, the USD/CAD exchange rate ranged from CAD$1.25 to CAD$1.45 per US$1.00 with an average of CAD$1.33 per US$1.00.

Date of Sale of Shares acquired during the Class Period	Recognized Loss Amount per Share
September 17, 2019 – September 30, 2019	The lesser of: (i) the Share Inflation on the date of purchase; or (ii) the Purchase Price minus the Sale Price.
October 1, 2019 – March 5, 2021	The lesser of (i) the Share Inflation on the date of purchase; (ii) the Purchase Price minus CAD$1.70; or (iii) the Purchase Price minus the Sale Price.
Held as of the closing on March 5, 2021	The lesser of (i) the Share Inflation on date of purchase; or (ii) the Purchase Price minus CAD$1.70.

(d) The Recognized Loss Amounts for Offering Shares and Secondary Shares are multiplied by the risk adjustment in the following chart to obtain the "**Risk Adjusted Loss**":

TABLE B

Type of Share	Risk Adjustment
Offering Share	1
Secondary Share	0.8

(e) A Claimant's Recognized Claim is equal to the sum of the Risk Adjusted Loss for each type of share.

11. The applicable Share Inflation amounts are as follows:

TABLE C – SHARE INFLATION	
June 1, 2018 – September 30, 2018	CAD$1.29
October 1, 2018 – July 7, 2019	CAD$5.02

TABLE C – SHARE INFLATION	
July 8, 2019 – July 9, 2019	CAD$3.57
July 10, 2019 – July 11, 2019	CAD$3.05
July 12, 2019 – July 15, 2019	CAD$2.57
July 16, 2019 – July 23, 2019	CAD$2.09
July 24, 2019 – August 11, 2019	CAD$1.41
August 12, 2019 – September 16, 2019	CAD$0.24
September 17, 2019 before 3:13 p.m. ET[2]	CAD$0.24
September 17, 2019 at or after 3:13 p.m. ET and thereafter	CAD$0.00

12. The Claims Administrator shall allocate the Class Compensation Fund on a pro-rata basis to eligible Claimants based upon each eligible Claimant's Recognized Claim.

13. The Claims Administrator shall make payments to the eligible Claimants based on the allocation under paragraph 12, subject to the Additional Rules set forth below.

VI. ADDITIONAL RULES

14. The Claims Administrator shall not make payments to eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is less than CAD$50.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is equal or greater than CAD$50.00.

15. To the extent a Claimant had an aggregate market gain from his, her or its transactions in Eligible Securities, the value of his, her or its total Recognized Claim will be zero. To the extent that a Claimant suffered an aggregate market loss on transactions in Eligible Securities, but the aggregate market loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the aggregate market loss. For purposes of determining

[2] Trading at prices at or below CAD$1.85 will be deemed to have occurred after 3:13 p.m. ET.

whether a Claimant had a market gain with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount and (ii) the sum of the Total Sales Proceeds and Holding Value.[3] This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period.

16. There shall be no Recognized Loss Amount on (a) short sales of Eligible Securities during the Class Period or (b) purchases/acquisitions during the Class Period that were used to cover short sales; however, the short sale transactions shall be part of the calculation of a Claimant's aggregate market gain or loss.

17. The receipt or grant by gift, devise or inheritance of Shares during the Class Period shall not be deemed to be a purchase or acquisition of Shares for the calculation of a Claimant's Recognized Loss Amount if the Person from which the Shares were acquired did not themselves acquire the Shares during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Shares unless specifically provided in the instrument or gift or assignment.

18. Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating a Recognized Loss Amount unless those Shares were initially purchased by the Claimant during the Class Period.

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[3] The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions, taxes, and fees) for CannTrust common stock purchased or acquired during the Class Period. The Claims Administrator will match any sales of CannTrust common stock during the Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions, taxes, and fees) for the remaining sales of CannTrust common stock sold during the Class Period will be the "Total Sales Proceeds". The Claims Administrator will ascribe a value of CAD$1.70 per share for CannTrust common stock purchased during the Class Period and still held as of the close of trading on September 17, 2019 (the "Holding Value"). The Holding Value is based on the closing price of CannTrust common stock on September 17, 2019, the last day of the Class Period.

The share price for such securities shall be calculated based on the share price initially paid for the Eligible Securities.

19. The Claims Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant.

VII. REMAINING UNCLAIMED AMOUNTS

20. If, for any reason, a Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with paragraphs 21-22.

21. If funds remain in the Class Compensation Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have eligible Claimants cash their distributions, and after the payment of any taxes and outstanding fees and expenses of the Claims Administrator, including any fees and expenses to conduct an additional distribution, any balance remaining in the Class Compensation Fund at least six (6) months after the initial distribution of such funds shall be redistributed, if it is economically feasible to do so, to eligible Claimants who have cashed their initial distributions and would receive at least $50.00 in such additional redistribution, in a manner consistent with this Allocation and Distribution Scheme.

22. Class Counsel shall, if feasible, continue to reallocate any further balance remaining in the Class Compensation Fund after the redistribution is completed among eligible Claimants in the same manner and time frame as provided for above. In the event that Class Counsel determine that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter, Class Counsel shall donate the remaining funds, if any, to a non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 50l(c)(3) and/or a Canadian charity or other non-profit group to be designated by Class Counsel.

IRREGULAR CLAIMS

23. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimant to be acting honestly and in good faith.

24. Where a Claim Form contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.

25. The claims process is also intended to prevent fraud, abuse, and the payment of ineligible Claim Forms. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains errors which cannot be readily corrected with information readily available to the Claims Administrator, then the Claims Administrator may disallow the claim in its entirety or pay it only in part so that an appropriate Recognized Claim is awarded to the Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss to be awarded to the Claimant, then the Claims Administrator shall disallow the claim in its entirety.

26. Where the Claims Administrator disallows a claim, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that the claim will be disallowed unless it is corrected and that he, she, or it may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of the Recognized Claim or his or her individual compensation.

27. Any request for reconsideration must be received by the Claims Administrator within 21 days of the date of the notice advising of the disallowance. If no request for reconsideration is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

28. Where a Claimant submits a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's request.

29. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination. In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Claimant at the Claimant's last known postal address, a notice specifying the revision to the Claims Administrator's disallowance.

30. The determination of the Claims Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

31. Data from each Claim Form shall be retained such that a Claimant will not be required to file further claim forms in any future distributions, except where the Claims Administrator, in consultation with Class Counsel, determines that further claim forms or information are necessary or desirable for efficient claims administration.

32. The failure to file a valid Claim Form shall not prejudice any Person's ability to file a claim form in any future distribution.

33. The Claims Administrator's fees and costs shall be paid from the Class Compensation Fund subject to the approval of Class Counsel, without Court approval.

34. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.

SCHEDULE C
COOPERATION AGREEMENT – GENERAL PRINCIPLES

All capitalized terms used but not otherwise defined in this Schedule C shall have the meanings given to such terms in the RSA.

A. A material factor influencing CannTrust's decision to execute the Cooperation Agreement is the desire to limit its burden and expense in complying with the agreement. Accordingly, Prosecution Counsel agree to exercise good faith in seeking cooperation from CannTrust and agree not to seek information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burdens or expense on CannTrust.

B. The scope of CannTrust's cooperation shall be limited to the allegations asserted in the Actions as presently filed and the Assigned Claims.

C. All cooperation shall be coordinated in such a manner so that all unnecessary duplication and expense is avoided.

D. CannTrust shall not be required to provide cooperation: (i) in violation of any law or Order from a court of competent jurisdiction; (ii) that waives any privilege; or (iii) with regard to conduct outside the scope of the Assigned Claims.

E. 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:

APPENDIX "D"
COMPARISON OF AMENDED CCAA PLAN TO ORIGINAL CCAA PLAN

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.

Applicants

FIRST AMENDED & RESTATED
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION
OF
CANNTRUST HOLDINGS INC.,
CANNTRUST INC., and
ELMCLIFFE INVESTMENTS INC.

~~April 16~~May 21, 2021

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FIRST AMENDED & RESTATED
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the first amended & restated 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;

(ii) Ian Abramowitz;

(iii) the Underwriters;

(iv) Eric Paul and the Paul Family Trust; and

(v) ~~(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 Elmcliffe.

"**Cash Contributions**" means, collectively:

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

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

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

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

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

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

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

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

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

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

"**CCAA 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 (Osoyoos) 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 or other Person 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).

"**Underwriters**" means Canaccord Genuity Corp., Canaccord Genuity LLC, Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., Credit Suisse Securities (USA) LLC, Jefferies Securities, Inc, Jefferies LLC, Merrill Lynch Canada Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and RBC Dominion Securities Inc.

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

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

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

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

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

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

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

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

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

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

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

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

For the purposes of the CCAA Plan:

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

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

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

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

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

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

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

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

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

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

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

1.3 **Successors and Assigns**

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

1.4 **Governing Law and Jurisdiction**

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

1.5 **Schedules**

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

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

ARTICLE 2
PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 Purpose

The purposes of the CCAA Plan are to:

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

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

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

(d) provide for the release of all Released Claims and an injunction in respect of all 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 who is not a Settlement Party 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 **<u>Treatment of General Unsecured Claims</u>**

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

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

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

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

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

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

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

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

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

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

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

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

3.5 **Treatment of Securities Claims**

(1) At the Effective Time:

(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 and, to the extent applicable, any other Settlement-Related Agreements to which one or more of the Securities Claimants and the Securities Claimant Trust are parties.

(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>**U.S. Class Action and California Action**</u>

(3) 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.

(4) 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 in accordance with Section 3.8 and Article 7 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**

(5) 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.

(6) 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**

(3) 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.

(4) 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.

(5) 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).

(6) 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~~that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise (including with respect to an Assigned Claim) against a Co-Defendant that is 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)~~the applicable provision of 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.

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~~that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise (including with respect to an Assigned Claim) against a Co-Defendant that is 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~~each applicable Settlement Party, ~~and~~but 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, may 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)~~such order will not 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)~~such order will not 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**

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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~~21st day of ~~April~~May, 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

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:

APPENDIX "E"
UPDATED LIQUIDATION ANALYSIS

The CannTrust Group

Illustrative Analysis of a Hypothetical Liquidation

As of May 31, 2021

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 (the "**Liquidation Analysis**") of the assets of the CannTrust Group as of May 31, 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**") dated May 21, 2021 (the "**CCAA Plan**"), which is to be considered at meetings of the creditors of the CannTrust Plan Companies on May 28, 2021.

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 previous 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 scenario 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 August 31, 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 July 31, 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 October 31, 2021.

CannTrust Group Summary

Illustrative Analysis of Hypothetical Liquidation

Liquidation Date of May 31, 2021

	Claim Amount		High Realization Estimate %	High Realization Estimate Amount	Low Realization Estimate %	Low Realization Estimate Amount
Secured claims *						
CTI Holdings (Osoyoos) Inc.	$ -		N/A	$ -	N/A	$ -
Elmcliffe Investments Inc.	-		N/A	-	N/A	-
CannTrust Inc.	106,439	Page 12	0%	-	0%	-
CannTrust Holdings Inc.	-		N/A	-	N/A	-
Secured Claims	**$ 106,439**			**$ -**		**$ -**
Unsecured claims *						
CTI Holdings (Osoyoos) Inc.	$ -		0%	$ -	0%	$ -
Elmcliffe Investments Inc.	400,000	Page 8	100%	400,000	100%	400,000
CannTrust Inc.	2,472,000	Page 12	0%	-	0%	-
CannTrust Holdings Inc.	634,223	Page 18	100%	634,223	100%	634,223
Total Unsecured Claims	**$ 3,506,223**			$ 1,034,223		$ 1,034,223
Total Creditor Claims *	**$ 3,612,662**					
Total Estimated Funds Available at Holdings after Payment of Pre-Filing Claims				$ 93,846,882		$ 75,697,763

* 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

The assets of the CannTrust Group are assumed to be liquidated while continuing under the existing CCAA proceedings, the *Bankruptcy and Insolvency Act* (Canada) or other statute.

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 March 31, 2021, which have been rolled forward to forecast May 31, 2021 book value balances based on the CannTrust Group's projections.

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

Liquidation Date of May 31, 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 Page 11**	5,099,076	**REF A Page 11**	3,705,700
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 Page 11**	**$ 125,824**	**REF B Page 11**	**$ -**

Totals in the above schedule are subject to rounding errors from the underlying numbers
Unaudited
See Disclaimer and Limitations

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 and will take one month to wind-down operations. 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 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 May 31, 2021				High Realization Estimate			Low Realization Estimate		
Elmcliffe Investments Inc. - Asset Realizations		Book Value	Notes	%		Amount	%		Amount
Cash	$	6,747	1	100%	$	6,747	100%	$	6,747
Property, Plant and Equipment		2,681,833	2	1110%		29,760,000	666%		17,852,338
Total Proceeds	$	2,688,580			$	29,766,747		$	17,859,085
Net Amount Available for Distribution					$	29,766,747		$	17,859,085
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					**$**	**27,999,497**		**$**	**17,172,935**
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 18**		4,318,614	**REF D Page 18**		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**	**$**	**20,619,294**	**REF F Page 11**	**$**	**9,792,732**

Totals in the above schedule are subject to rounding errors from the underlying numbers
Unaudited
See Disclaimer and Limitations

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 May 31, 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.

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 18 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 May 31, 2021

CannTrust Inc. - Asset Realizations	Book Value	Note	High Realization Estimate %	High Realization Estimate Amount	Low Realization Estimate %	Low Realization Estimate Amount
Cash	$ 2,591,109	1	100%	$ 2,591,109	100%	$ 2,591,109
Short Term Investments	152,303	2	100%	152,303	100%	152,303
Accounts Receivable	382,512	3	80%	306,010	60%	229,507
Prepaid Expense	3,746,296	4	3%	128,968	2%	82,131
HST Recoverable	4,023,289	5	93%	3,758,660	84%	3,382,794
Restricted Cash	200,000	6	0%	-	0%	-
Inventory	8,741,076	7	34%	2,977,517	9%	743,495
Biological Asset	1,045,383	8	0%	-	0%	-
Right-of-Use Assets	35,263,249	9	0%	-	0%	-
Financial Assets	600,153	10	0%	-	0%	-
Property, Plant and Equipment	41,068,681	11	18%	7,192,108	10%	3,916,063
Investments	5,895,409	12	2%	100,000	0%	-
Equity in Elmcliffe Investments Inc.	20,619,294	13	REF F Page 8	20,619,294	REF F Page 8	9,792,732
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	$ 132,215,243			$ 45,712,458		$ 27,257,423

Liquidation Costs	Note	High Realization Estimate Amount	Low Realization Estimate Amount
Payment of Post-Filing Accounts Payable	15	$ (5,126,964)	$ (5,126,964)
Professional Fees	16	(920,000)	(547,000)
Cost to Wind Down Operations	17	(3,024,233)	(1,917,154)
Total Liquidation Costs		$ (9,071,197)	$ (7,591,118)

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

Unaudited

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CannTrust Inc.
Illustrative Analysis of Hypothetical Liquidation (continued)

Post-Filing Obligations				Amount		Amount
Settlement of Post-Filing Obligations owed to CannTrust Holdings Inc.	(57,800,000)	**18**	**REF G Page 18**	(36,641,261)	**REF G Page 18**	(19,666,305)
Net Amount Available for Distribution				$ -		$ -
CannTrust Inc. Creditor Distributions	**Claim Value**			**Distribution**		**Distribution**
Secured Claims	106,439	**19**		-		-
Secured Pre-Filing Intercompany Claim of CannTrust Holdings Inc.	241,717,044	**19**	**REF I Page 18**	-	**REF I Page 18**	-
Accepted General Unsecured claims	2,472,000			-		-
Total Unsecured	2,472,000			-		-
Percentage Distribution to Unsecured Creditors				*0.0%*		*0.0%*
Reserve for Unresolved Claims	$ 172,340	**20**				

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 are earned and incurred by 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 May 31, 2021 based on the most recent Cash Flow Forecast and anticipated Intercompany Advances from CannTrust Holdings. 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 corporate credit card program. It is assumed that this GIC could be easily liquidated with nominal fees for early redemption and 100% recoverable as the credit card payables are post-filing payables and would be paid in full.

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 through a credit card processing company, custom equipment, construction, rent, software licenses and long-term commitments. It has been assumed that vendor and security deposits will be utilized to satisfied unpaid invoices, chargebacks and penalty clauses for early termination. Retainers for professional service fees may be returned if 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 has 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, vape kits and cartridges, 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.

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 March 31, 2021 will become inventory according to their estimated harvest dates by the Hypothetical Liquidation Date. 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.

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.

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 distributions from Elmcliffe and CTI. Refer to CTI and Elmcliffe 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 May 31, 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 and the available cash in CannTrust Holdings. As at May 31, 2021, CannTrust Opco is anticipated to owe CannTrust Holdings $57.8 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 18.

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.

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 claims that are asserted as secured claims with an aggregate asserted value of $172,340. 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 May 31, 2021			High Realization Estimate		Low Realization Estimate	
CannTrust Holdings Inc. - Asset Realizations	**Book Value**	**Note**	**%**	**Amount**	**%**	**Amount**
Cash	$ 376,493	**1**	100%	$ 376,493	100%	$ 376,493
Short Term Investments	52,500,000	**2**	100%	52,500,000	100%	52,500,000
HST Recoverable	2,374,355	**3**	58%	1,374,355	0%	-
Prepaid Expense	5,806,099	**4**	5%	315,082	5%	280,074
Restricted Cash	5,974,209	**5**	0%	-	0%	-
Recovery of Post-Filing Intercompany Advances from CannTrust Inc.	57,800,000	**6**	**REF G Page 12**	36,641,261	**REF G Page 12**	19,666,305
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	$ 129,149,770			$ 95,525,805		$ 77,141,486
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				**$ 94,481,105**		**$ 76,331,986**
CannTrust Holdings Inc. Creditor Distributions	Claim Value			**Distribution**		**Distribution**
Secured Claims	$ -			$ -		$ -
Accepted General Unsecured Claims	$ 634,223			$ 634,223		$ 634,223
Total Unsecured Claims	$ 634,223			$ 634,223		$ 634,223
Percentage Distribution to General Unsecured Creditors				*100.0%*		*100.0%*
Reserve for Unresolved Claims	$ 800,000	**11**				
Net Proceeds Remaining after Payment of Pre-Filing General Unsecured Claims		**12**		$ 93,846,882		$ 75,697,763

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 May 31, 2021 based on the most recent Cash Flow Forecast and anticipated Intercompany Advances to CannTrust Opco. 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 entirely 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 May 31, 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 and the available cash in CannTrust Holdings. As at May 31, 2021, CannTrust Opco is anticipated to owe CannTrust Holdings $57.8 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 12.

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 12 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.

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.

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

TENTH REPORT OF THE MONITOR
(May 21, 2021)

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