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

ELEVENTH REPORT OF THE MONITOR

Dated June 2, 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, among 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 US Class Actions, the Construction Action (all as defined in the initial affidavit of Greg Guyatt dated March 31, 2020) and the Zola Action (as defined herein).

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

a) an order approving the Applicants' sale and investment solicitation process (the "**SISP Order**");

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 "**Court- Appointed 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 CannTrust Holdings' disclosure to investors, and claims related thereto (such actions, the "**Securities Actions**"). The claims related to the Securities Actions are "**Excluded Claims**" under the Claims Procedure Order.

4. 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.

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

   a) an order (the "**Stay Extension 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.

6. 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.

7. 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 (as amended, the "**CCAA Plan**").

8. 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 and sealing the unredacted version of the DIP Term Sheet (each 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

9. The purpose of this eleventh report of the Monitor (the "**Eleventh Report**") is to provide an update and/or report to the Court on:

a) the amendments to the CCAA Plan that have been made by the Applicants with the consent of the Monitor;

b) the results of the voting at the Meetings of the classes of General Unsecured Creditors of the CannTrust Plan Companies and Securities Claimants held on May 28, 2021 pursuant to the Meeting Order, and whether the votes cast in respect of Unresolved General Unsecured Claims or Unresolved Securities Voting Claims (each as defined in the Meeting Order), if any, would affect the result of the voting of the applicable classes;

c) the Mediation Process and the Additional RSAs (as defined herein);

d) certain ancillary relief being sought under the proposed CCAA Sanction Order (as defined herein);

e) details of the fees and disbursements of the Monitor for the period from January 9, 2021 to May 14, 2021;

f) details of the fees and disbursement of the Monitor's legal counsel for the period from January 4, 2021 to April 30, 2021; and

g) the Monitor's recommendation in respect of the Applicants' motion for an order (the "**CCAA Sanction Order**"), among other things:

    (i) approving and sanctioning the CCAA Plan and ordering the releases and injunctions necessary to implement the CCAA Plan and give effect to the settlements contemplated thereby;

    (ii) approving the Allocation and Distribution Scheme (as defined in the CCAA Plan);

    (iii) authorizing the Applicants, the CCAA Representatives and the Trustees of the Securities Claimant Trust to enter into the Zola RSA (defined herein);

(iv) authorizing and directing the CannTrust Plan Companies, the Monitor, the CCAA Representatives, CCAA Representative Counsel and the Trustees of the Securities Claimant Trust to take all steps and actions and to do all things necessary or appropriate to implement the transactions contemplated by the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the SLA (defined herein), the Zola RSA and the Additional RSAs in accordance with and subject to their respective terms and conditions;

(v) extending the Stay Period to the earlier of: (i) the Effective Time (as defined in the CCAA Plan); and (ii) September 3, 2021;

(vi) approving the fees and disbursements of the Monitor and its counsel; and

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

TERMS OF REFERENCE

10. In preparing this Eleventh 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**”).

11. 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 Canadian auditing standards (“**CAS**”) 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 CAS or any other standards in respect of the Information.

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

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

14. 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**").

15. Capitalized terms used but not defined herein shall have the meanings given to them in the CCAA Plan or, if not defined in the CCAA Plan, in the CCAA Sanction Order.

16. This Eleventh Report should be read in conjunction with the affidavit of Greg Guyatt sworn June 2, 2021 (the "**Guyatt Affidavit**").

PLAN AMENDMENTS

17. On April 16, 2021, the CannTrust Plan Companies filed a plan of compromise, arrangement and reorganization dated April 16, 2021 (the "**Original CCAA Plan**") with the Court pursuant to the Meeting Order.

18. On May 21, 2021, the CannTrust Plan Companies filed the first amended and restated plan of compromise, arrangement and reorganization dated May 21, 2021 (the "**First Amended and Restated CCAA Plan**"). Copies of the First Amended and Restated CCAA Plan and a redline version showing the changes from the Original CCAA Plan, were sent to the Service List, posted on the Monitor's Website and included in the Tenth Report of the Monitor dated May 21, 2021 (the "**Tenth Report**"). The Tenth Report summarized the amendments to the Original CCAA Plan. The Tenth Report was sent to the GUC Meeting Materials Parties (as defined in the Meeting Order), the CCAA Representatives, CCAA Representative Counsel, the Excluded Securities Claimants (as defined in the CCAA Representation Order) and the sole Opt-Out Securities Claimant (as defined in the Meeting Order), on May 21, 2021.

19. The First Amended and Restated CCAA Plan was the version voted on by the Affected Creditors at the Meetings, as detailed further below.

20. On June 2, 2021, the CannTrust Plan Companies filed the second amended and restated plan of compromise, arrangement and reorganization dated June 2, 2021 (the "**Second Amended and Restated CCAA Plan**"). Copies of the Second Amended and Restated CCAA Plan and a redline version showing the changes from the First Amended and Restated CCAA Plan, were sent to the Service List and posted on the Monitor's Website.

21. The Second Amended and Restated CCAA Plan amended the First Amended and Restated CCAA Plan to:

    a) add the Litwin Group (as defined herein) as an Additional Settlement Party (as defined in the CCAA Plan); and

    b) make certain other amendments to provide further clarity or to adjust some corporate steps to be taken in relation to the implementation of the CCAA Plan.

22. A copy of the Second Amended and Restated CCAA Plan is attached hereto as **Appendix "A"**. A comparison of the Second Amended and Restated CCAA Plan to the First Amended CCAA Plan is attached hereto as **Appendix "B"**.

MEETINGS

Notice of Meeting and Monitor's Report prior to Meetings

23. Notice of the Meetings and sanction hearing was provided in accordance with the Meeting Order. The Monitor updated the Court on these activities in the Ninth Report of the Monitor dated April 22, 2021 (the "**Ninth Report**").

24. As required under the CCAA, the Monitor updated the Court on the business and financial affairs of the Applicants in the Tenth Report. In addition to satisfying this regulatory requirement, the Monitor reiterated certain relevant details of the CCAA Plan, the amendments that had been made in the First Amended and Restated CCAA Plan and the Monitor's recommendation to the Affected Creditors regarding the First Amended and Restated CCAA Plan. A copy of the Tenth Report (without appendices) is attached as **Appendix "C"**.

Meetings

25. Pursuant to the Meeting Order and the CCAA Plan, the Affected Creditors were separated into four classes for the purpose of voting on the CCAA Plan:

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

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

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

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

26. A General Unsecured Creditor ("**GUC**") with a Proven Claim against a CannTrust Plan Company was an "**Eligible Voting Creditor**" with respect to the Meeting of the General Unsecured Creditors of that CannTrust Plan Company and could vote in person or by proxy at that Meeting.

27. The Meetings were held by videoconference using the Microsoft Teams platform due to the COVID-19 pandemic, as contemplated in the Meeting Order, for the purpose of considering and voting on a resolution to approve the CCAA Plan (the "**Resolution**"), as follows:

a) CannTrust Holdings GUC Class: May 28, 2021 at 11:00 a.m. ET;

b) Elmcliffe GUC Class: May 28, 2021 at 11:30 a.m. ET;

c) Opco GUC Class: May 28, 2021 at 12:00 p.m. ET; and

d) Securities Claimant Class: May 28, 2021 at 2:00 p.m. ET.

28. Mr. Alex Morrison, an officer of the Monitor, chaired each of the Meetings (the "**Chair**"). The Chair appointed Mr. Jonathan Yantzi from Aird & Berlis LLP, the Monitor's legal counsel, to act as secretary at each of the Meetings (the "**Secretary**"), and appointed Mr. Nick Hilborn and Ms. Franca Mazzulla, representatives of the Monitor, to act as scrutineers (the "**Scrutineers**") at each of the Meetings.

29. As detailed further below, each of the Meetings was duly convened, held, and conducted in accordance with the Meeting Order.

Meeting of the CannTrust Holdings GUC Class

30. The quorum for the Meeting of the CannTrust Holdings GUC Class was the attendance of one Eligible Voting Creditor of CannTrust Holdings personally or by proxy. The Scrutineers confirmed to the Chair at the outset of the Meeting of the CannTrust Holdings GUC Class that the required quorum was present by proxy. No Eligible Voting Creditors of CannTrust Holdings attended in person at the Meeting of the CannTrust Holdings GUC Class.

31. Attached as **Appendix "D"** is the Scrutineers' report on attendance at the Meeting of the CannTrust Holdings GUC Class.

32. The results of the voting by Eligible Voting Creditors of CannTrust Holdings on the Resolution to approve the First Amended and Restated CCAA Plan were as follows:

Resolved Claims				
	Count	%	Amount	%
Votes FOR	3	75%	$566,594.77	95%
Votes AGAINST	1	25%	$30,227.50	5%
Total	4	100%	$596,822.27	100%

33. There are no Creditors holding Unresolved General Unsecured Claims against CannTrust Holdings.

34. Based on the results of the vote, the Chair declared that the Resolution had been passed by the majorities contemplated in the Meeting Order (a majority in number holding two-thirds

in value) of the CannTrust Holdings GUC Class.

35. A copy of the minutes of the Meeting of the CannTrust Holdings GUC Class as compiled by the Secretary is attached as **Appendix "E"**.

Meeting of the Elmcliffe GUC Class

36. The quorum for the Meeting of the Elmcliffe GUC Class was the attendance of one Eligible Voting Creditor of Elmcliffe personally or by proxy. The Scrutineers confirmed to the Chair at the outset of the Meeting of the Elmcliffe GUC Class that the required quorum was present by proxy. No Eligible Voting Creditors of Elmcliffe attended in person at the Meeting of the Elmcliffe GUC Class.

37. Attached as **Appendix "F"** is the Scrutineers' report on attendance at the Meeting of the Elmcliffe GUC Class.

38. The results of the voting by the sole Eligible Voting Creditor of Elmcliffe on the Resolution to approve the First Amended and Restated CCAA Plan were as follows:

		Resolved Claims		
	Count	%	Amount	%
Votes FOR	1	100%	$400,000	100%
Votes AGAINST	0	0%	$0	0%
Total	1	100%	$400,000	100%

39. There are no Creditors holding Unresolved General Unsecured Claims against Elmcliffe.

40. Based on the results of the vote, the Chair declared that the Resolution had been passed by the majorities contemplated in the Meeting Order (a majority in number holding two-thirds in value) of the Elmcliffe GUC Class.

41. A copy of the minutes of the Meeting of the Elmcliffe GUC Class as compiled by the Secretary is attached as **Appendix "G"**.

Meeting of the Opco GUC Class

42. The quorum for the Meeting of the Opco GUC Class was the attendance of one Eligible Voting Creditor of CannTrust Opco personally or by proxy. The Scrutineers confirmed to the Chair at the outset of the Meeting of the Opco GUC Class that the required quorum was present personally or by proxy.

43. Attached as **Appendix "H"** is the Scrutineer's report on attendance at the Meeting of the Opco GUC Class.

44. After calling the Meeting to order, the Chair outlined the purpose of the Meeting and provided a brief background of the CCAA Proceedings and an overview of the First Amended and Restated CCAA Plan and the amendments that had been made to the Original CCAA Plan. The Chair discussed the alternative to the First Amended and Restated CCAA Plan and the Monitor's recommendation that the Affected Creditors vote in favour of the First Amended and Restated CCAA Plan as set out in the Tenth Report. The Chair then reviewed the voting process as set out in the Meeting Order. Prior to voting, Eligible Voting Creditors in attendance were given the opportunity to ask any questions with respect to the First Amended and Restated CCAA Plan and the voting process.

45. The results of the voting by Eligible Voting Creditors of CannTrust Opco on the Resolution to approve the First Amended and Restated CCAA Plan were as follows:

		Resolved Claims		
	Count	%	Amount	%
Votes FOR	58	92.06%	$ 877,287.79	84.78%
Votes AGAINST	5	7.94%	$ 157,483.15	15.22%
Total	63	100%	$1,034,770.94	100%

46. There were two Creditors holding Unresolved General Unsecured Claims against CannTrust Opco that were present at the meeting by proxy. One of these Creditors had a portion of its Claim that had been resolved, so its vote with respect to that Claim is reflected in the above table. To prevent duplication, the value of the Unresolved General Unsecured Claim of this Creditor is included in the table below, but the number is not. Accordingly,

the results of the voting by the Creditors holding Unresolved General Unsecured Claims against CannTrust Opco:

	Unresolved General Unsecured Claims			
	Count	%	Amount	%
Votes FOR	1	100%	$ 111,098.98	100%
Votes AGAINST	0	0%	$ -	0%
Total	1	100%	111,098.98	100%

47. When the votes of the Eligible Voting Creditors and the Creditors holding Unresolved General Unsecured Claims against CannTrust Opco are aggregated, the results of the voting are as follows:

	Total Resolved and Unresolved Claims			
	Count	%	Amount	%
Votes FOR	59	92.19%	$ 988,386.77	86.26%
Votes AGAINST	5	7.81%	$ 157,483.15	13.74%
Total	64	100%	$1,145,869.92	100%

48. Based on the results of the vote, the Chair noted that the votes of the Creditors holding Unresolved General Unsecured Claims against CannTrust Opco would not affect the outcome of the vote of the Opco GUC Class. The Chair declared that the Resolution had been passed by the majorities contemplated in the Meeting Order (a majority in number holding two-thirds in value) of the Opco GUC Class.

49. A copy of the minutes of the Meeting of the Opco GUC Class as compiled by the Secretary is attached as **Appendix "I"**.

Meeting of the Securities Claimant Class

50. The Meeting Order provided that only Represented Securities Claimants and Opt-Out Securities Claimants holding Securities Claims that have been accepted for voting purposes pursuant to the Meeting Order or Unresolved Securities Voting Claims or their proxies

were entitled to vote on the CCAA Plan at the Meeting of the Securities Claimant Class. There are no Unresolved Securities Voting Claims.

51. The quorum for the Meeting of the Securities Claimant Class was the attendance of one Securities Claimant with a Voting Claim that is a Securities Claim. The Scrutineers confirmed to the Chair at the outset of the Meeting of the Securities Claimant Class that the required quorum was present personally or by proxy.

52. Attached as **Appendix "J"** is the Scrutineers' report on attendance at the Meeting of the Securities Claimant Class.

53. After calling the Meeting to order, the Chair outlined the purpose of the Meeting and provided a brief background of the CCAA Proceedings and an overview of the First Amended and Restated CCAA Plan and the amendments that had been made to the Original CCAA Plan. The Chair discussed the alternative to the First Amended and Restated CCAA Plan and the Monitor's recommendation that the Affected Creditors vote in favour of the First Amended and Restated CCAA Plan as set out in the Tenth Report. The Chair then reviewed the voting process as set out in the Meeting Order. Prior to voting, attendees were given the opportunity to ask any questions with respect to the First Amended and Restated CCAA Plan and the voting process.

54. The results of the voting of Securities Claimants with Proven Claims on the Resolution to approve the First Amended and Restated CCAA Plan were as follows:

		Resolved Claims		
	Count	%	Amount	%
Votes FOR	2,377	100%	$509,800,000	100%
Votes AGAINST	0	0%	$0	0%
Total	2,377	100%	$509,800,000	100%

55. Based on the results of the vote, the Chair declared that the Resolution had been passed by the majorities contemplated in the Meeting Order (a majority in number holding two-thirds in value) of the Securities Claimant Class.

56. A copy of the minutes of the Meeting of the Securities Claimant Class as compiled by the Secretary is attached as **Appendix "K"**.

First Amended and Restated CCAA Plan Approved by Affected Creditors

57. As set out above, the First Amended and Restated CCAA Plan was approved by each of the GUC Classes and the Securities Claimant Class by the requisite majority at the Meetings.

MEDIATION PROCESS

Background

58. As set out in previous reports that have been filed by the Monitor in these proceedings, since his appointment in May 2020, the Court-Appointed Mediator has facilitated extensive negotiations between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the securities and other claims related to the Securities Actions. The Monitor has worked closely with the Court-Appointed Mediator and the participants throughout the Mediation Process.

59. As of March 19, 2021, the initial return date of the Applicants' motion for the Meeting Order, there were six groups of co-defendants in the Securities Actions that had not reached settlements of their respective liabilities and who opposed the granting of the Meeting Order. The motion was adjourned to April 16, 2021 to allow negotiations between CCAA Representative Counsel and these co-defendants to continue.

60. As set out in the Supplement to the Eighth Report of the Monitor dated April 12, 2021, the Court-Appointed Mediator facilitated extensive further negotiations during the adjournment period. By April 16, 2021, these efforts resulted in settlements in principle having been reached with some co-defendants and advanced discussions with others such that the motion for the Meeting Order proceeded on an unopposed basis, subject to a reservation of rights by the co-defendants that had not settled as of that time.

61. As set out in the Tenth Report, the negotiations facilitated by the Court-Appointed Mediator continued between the issuance of the Meeting Order and the Meetings. Prior to

the Meetings, settlements had been reached with three of the six co-defendant groups, specifically:

a) the Underwriters (as defined in the CCAA Plan);

b) Ian Abramowitz; and

c) Eric Paul and the Paul Family Trust.

62. As set out in the Tenth Report, the Original CCAA Plan was amended in the First Amended and Restated CCAA Plan to, among other things, add these co-defendants as Additional Settlement Parties.

Additional Settlement with the Litwin Group

63. The negotiations involving CCAA Representative Counsel, the remaining co-defendants that had not settled, and the insurers have continued following the Meetings. These efforts have very recently resulted in a settlement being reached with another co-defendant group, specifically Mark Litwin, Fred Litwin, Stanley Abramowitz, Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc., and Sutton Management Limited (collectively, the "**Litwin Group**").

64. As required by section 7.1 of the CCAA Plan, the Litwin Group 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

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

65. As set out above, the First Amended and Restated CCAA Plan was amended in the Second Amended and Restated CCAA Plan to, among other things, add the Litwin Group as an Additional Settlement Party.

66. In the course of the negotiations that led to the settlement, the Litwin Group made a request directly to the Applicants for the payment of certain outstanding legal fees ("**Litwin Legal Costs**"). Until the resignation of Mark Litwin and Stanley Abramowitz from their roles as director and corporate secretary, respectively, of CannTrust Holdings on March 11, 2021, the Applicants had paid the legal expenses incurred by them pursuant to indemnity agreements that each of them had with CannTrust Holdings. Following their resignation, the Applicants ceased making any further payments pursuant to these indemnity agreements.

67. Under the CCAA Plan, as set out in further detail below, claims 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 Securities Actions or any other Securities-Related Claim are Unaffected Claims, provided that such claim is otherwise valid and enforceable against CannTrust Holdings. Any claims against the CannTrust Plan Companies by Settlement Parties for indemnification of costs will be released pursuant to the CCAA Plan.

68. While the Applicants were not prepared to pay the full amount of the Litwin Legal Costs sought for services rendered to Mark Litwin in his capacity as a former director of CannTrust Holdings, the Applicants, after consultation with the Monitor, have agreed to pay $125,000 (plus applicable taxes) of the Litwin Legal Costs, subject to certain conditions being met.

69. The Monitor is satisfied that it is appropriate to make this payment considering: (i) the indemnity rights held by certain members of the Litwin Group; (ii) the treatment of Defence Costs Indemnity Claims under the CCAA Plan; (iii) the benefits that will result from the Litwin settlement, specifically the Litwin Group agreeing to support the CCAA Plan and agreeing to make a significant cash contribution to the Securities Claimant Trust;

and (iv) the fact that this payment will not affect the recoveries available to General Unsecured Creditors or Securities Claimants under the CCAA Plan.

Additional RSAs

70. The Additional Settlement Parties listed above have agreed to make Cash Contributions to the Securities Claimant Trust of $31 million in aggregate. Copies of the respective agreements (the “**Additional RSAs**”) with the Additional Settlement Parties are attached as exhibits to the affidavit of Serge Kalloghlian to be sworn in connection with this motion (the “**Kalloghlian Affidavit**”) and are described therein.

71. In the CCAA Sanction Order, the Applicants are seeking authorization for each of the CannTrust Plan Companies, the Monitor, the CCAA Representatives, CCAA Representative Counsel and the Trustees of the Securities Claimant Trust to do all things necessary to implement the Additional RSAs.

Zola RSA

72. Zola Finance Holdings Ltd. and Igor Gimelshtein (the “**Zola Plaintiffs**”) brought a separate Securities Action against CannTrust Holdings and others related to the findings of the Health Canada Audits (the “**Zola Action**”). The Zola Plaintiffs were excluded from representation by the CCAA Representatives and CCAA Representative Counsel in the CCAA Representation Order as they were already represented by counsel.

73. The Applicants, the CCAA Representatives and the Zola Plaintiffs entered into a restructuring support agreement as of May 5, 2021 (the “**Zola RSA**”). The key terms of the Zola RSA include:

a) the Zola Plaintiffs consenting to and agreeing to vote in favour of and support the CCAA Plan;

b) the Zola Plaintiffs assigning any right, claim, or cause of action that any of the Zola Plaintiffs may have against any Co-Defendant or Settlement Party that arises from or relates to the Securities-Related Matters including, without limitation, the Zola

Action (the “**Zola Claims**”) to the Securities Claimant Trust on the Plan Implementation Date;

c) the Zola Plaintiffs receiving, in consideration for the assignment of the Zola Claims, $3.25 million from the Securities Claimant Trust;

d) the Zola Plaintiffs reserving all rights in respect of any motion to approve the Allocation and Distribution Scheme; and

e) all parties agreeing that if the CCAA Plan is not sanctioned by the CCAA Court, the parties shall return to the positions they were in prior to the execution of the Zola RSA.

74. The proposed CCAA Sanction Order would approve the Zola RSA and authorize each of the CannTrust Plan Companies, the Monitor, the CCAA Representatives, CCAA Representative Counsel and the Trustees of the Securities Claimant Trust to do all things necessary to implement the Additional RSAs.

75. The Monitor supports the approval of the Zola RSA by this Court. The Zola RSA is an agreement reached following extensive negotiations between the Zola Plaintiffs and the CCAA Representatives. The payment to be made by the Securities Claimant Trust to the Zola Plaintiffs reflects these arm’s-length negotiations and the evaluation of the value of the Zola Claims by the CCAA Representatives. As set out in the Kalloghlian Affidavit, while the Zola Action overlaps with the Ontario Class Action in many respects, it also includes certain unique allegations and claims based on the relationship between the Zola Plaintiffs and CannTrust Holdings. Mr. Kalloghlian states that it was desirable for the CCAA Representatives to acquire the Zola Claims to: (i) secure the Zola Plaintiffs’ support for the CCAA Plan, (ii) offer global releases to defendants that wished to settle; and (iii) strengthen the position of the CCAA Representatives in any continuing litigation.

Non-Settlement Parties

76. The two co-defendants that have not reached a settlement as of the date of this Eleventh Report are KPMG LLP ("**KPMG**") and Peter Aceto (collectively, the "**Non-Settling Defendants**").

77. KPMG was the prior auditor of CannTrust Holdings and is a defendant in the Securities Actions. The Monitor understands from the Kalloghlian Affidavit that the CCAA Representatives believes that CannTrust Holdings potentially has an auditor's negligence claim against KPMG, to which the CCAA Representatives ascribe significant value. Pursuant to the Second Amended and Restated CCAA Plan, this claim is an Assigned Claim that would be assigned to the Securities Claimant Trust on the Plan Implementation Date.

78. KPMG has raised a number of concerns with respect to the CCAA Plan, including with respect to the judgment reduction provision (as detailed further below) and the assignment of the Assigned Claims to the Securities Claimant Trust. The Applicants and the Monitor have engaged in discussions with KPMG to attempt to address these concerns or narrow the issues, which are ongoing.

79. Peter Aceto is the former chief executive officer of CannTrust Holdings and is a defendant in the Securities Actions. The Monitor understands that negotiations are continuing between Mr. Aceto and CCAA Representative Counsel with respect to the settlement of the claims asserted against him.

80. None of the insurers that provided insurance for Securities-Related Matters to a Settlement Party or a Co-Defendant (each as defined in the CCAA Plan) that is or was a Director of CannTrust Holdings or CannTrust Opco have reached a settlement agreement with the CCAA Representative Counsel. Negotiations among the CCAA Representative Counsel and the insurers are ongoing.

Termination of Mediation Process and Discharge of the Court- Appointed Mediator

81. The Mediation Process has been very successful in achieving the settlement of the Securities Claims and related claims against the Applicants and the settlements with the Additional Settlement Parties. In the proposed CCAA Sanction Order, the Applicants are seeking to terminate the Mediation Process and discharge and release the Court-Appointed Mediator.

82. The Monitor is of the view that this is appropriate in these circumstances to terminate the Mediation Process and discharge the Court-Appointed Mediator in the CCAA Sanction Order. The Court-Appointed Mediator may continue to facilitate discussions until the sanction hearing, however the Monitor does not anticipate those negotiations to continue past that time. The Monitor would like to recognize the efforts of the Court-Appointed Mediator in facilitating the settlements that have been accomplished to date and thank him for the key role that he has played in this process.

RELEASED CLAIMS AND NON-RELEASED CLAIMS

83. The CCAA Plan provides for the full, final and irrevocable release and discharge of all Released Claims against the following parties as of the Effective Time:

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

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

84. The CCAA Plan does not release the Non-Released CannTrust Claims, including:

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

b) the right to enforce the Unaffected Claims against the applicable CannTrust Plan Company (subject to the injunction and related treatment contemplated by the CCAA Plan and CCAA Sanction Order in respect of any Unaffected Claims that are Channelled Claims);

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

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

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

85. The CCAA Plan also provides injunctions and other protections for Released Parties related to Released Claims and Channelled Claims.

IMPLEMENTATION OF THE CCAA PLAN

86. The CCAA Plan will be implemented on the Plan Implementation Date at the Effective Time. The Monitor is not able to estimate with any certainty at this stage when the Plan Implementation Date will occur as that is dependent upon the various Plan Implementation Conditions being satisfied or waived by the CannTrust Plan Companies including, in particular, the issuance of the U.S. Approval Order in the U.S. Class Action.

87. The CCAA Plan and CCAA Sanction Order contemplate that, upon the various Plan Implementation Conditions being satisfied or waived and the Articles of Reorganization for CannTrust Holdings becoming effective, the Applicants will deliver a certificate to the

Monitor confirming that the Plan Implementation Date has occurred and designating the Effective Time (the "**Applicants' Certificate**").

88. Upon receipt of the Applicants' Certificate, the Monitor will file a certificate in the form attached to the proposed CCAA Sanction Order (the "**Monitor's Plan Implementation Certificate**") with the Court, serve it on the Service List and post it on the Monitor's Website.

OTHER ANCILLARY RELIEF

89. In addition to sanctioning the CCAA Plan, the Applicants are seeking certain ancillary relief in the proposed CCAA Sanction Order which is discussed below.

Approval of the Allocation and Distribution Scheme

90. The proposed CCAA Sanction Order would approve the Allocation and Distribution Scheme and authorize each of the CannTrust Plan Companies, the Monitor, the CCAA Representatives, CCAA Representative Counsel and the Trustees of the Securities Claimant Trust to do all things necessary to implement it.

91. The Allocation and Distribution Scheme was developed by CCAA Representative Counsel, who were appointed by this Court as the counsel to the Court-appointed representative of the Securities Claimants other than the Excluded Securities Claimants (as defined in the CCAA Representation Order). The methodology for determining the quantum of distributions to the Securities Claimants pursuant to the Allocation and Distribution Scheme is set out in detail in the Kalloghlian Affidavit. The Monitor understands from the Kalloghlian Affidavit that the methodology was developed with the assistance of its expert, Dr. Sunita Surana.

92. The Allocation and Distribution Scheme was attached as Schedule "B" to the First Amended and Restated CCAA Plan that was approved by the Securities Claimants at the Meeting of the Securities Claimant Class on May 28, 2021.

93. Pursuant to Zola RSA, as described in paragraph 73 of this Eleventh Report, the Zola Plaintiffs agreed to vote in favour of the CCAA Plan but reserve their rights with respect

to the approval of the Allocation and Distribution Scheme. The Monitor notes that even if the Zola Plaintiffs had voted against the First Amended and Restated CCAA Plan and the Allocation and Distribution Scheme contained therein, it still would have been approved by the majorities contemplated in the Meeting Order.

94. The Monitor is aware that the Zola Plaintiffs may wish to make submissions with respect to the Allocation and Distribution Scheme. The Monitor may report further to the Court following receipt of these submissions.

Securities Actions

95. The CCAA Plan contemplates that CCAA Representative Counsel will cause the Securities Actions in Canada to be dismissed against the Settlement Parties without costs after the Plan Implementation Date.

96. Certain of the Securities Actions are not brought by the CCAA Representatives and CCAA Representative Counsel, specifically the Zola Action and the Securities Actions commend by Merchant Law Group LLP. Accordingly, the proposed CCAA Sanction Order provides that, in respect of each Securities Action, the applicable Securities Claimants who are plaintiffs in such Securities Action will be authorized and directed to dismiss the Securities Action as against the Settlement Parties without delay after the Plan Implementation Date. The proposed CCAA Sanction Order will also specifically request, in addition to the typical general request for aid and assistance from other courts in implementing the CCAA Sanction Order, that the applicable court dismiss each Securities Action against the Settlement Parties without costs.

Assigned Claims

97. The proposed CCAA Sanction Order provides, among other things, that 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.

98. The Monitor understands from the Kalloghlian Affidavit that the Assigned Claims represent an essential element of the contributions to be made to the Securities Claimant Trust pursuant to the RSA and the Additional RSAs.

Late Claims

99. As indicated in the Tenth Report, three additional trade claims were submitted beyond the Claims Bar Date (as defined in the Claims Procedure Order), and two late claims were filed by former employees a few days beyond their respective Restructuring Claims Bar Dates (as defined in the Claims Procedure Order) (collectively, the "**Additional Late Claims"**). The aggregate claim amount of the Additional Late Claims is $98,286.

100. The Applicants are seeking approval to allow the Monitor 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.

101. 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.

Discharge of Claims Officer

102. As indicated in the Tenth Report, there are currently no Disputed Claims and only seven Claims, including Additional Late Claims, remaining under review pursuant to the Claims Procedure. The Applicants and the Monitor do not believe that these remaining Claims will need to be referred to a claims officer for adjudication. Accordingly, the Monitor supports the request by the Applicants to discharge the Claims Officer in the proposed CCAA Sanction Order.

Termination of SISP

103. The Applicants are seeking to formally terminate the SISP pursuant to the SISP Order, as it will be moving forward with the implementation of a stand-alone restructuring plan.

104. The Monitor is of the view that it is appropriate in this circumstance to terminate the SISP.

Contracts and Agreements not Disclaimed

105. Any contracts for which the Applicants 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, that have not been terminated or disclaimed (or compromised or released under the CCAA Plan), will remain in full force and effect, unamended as of the Effective Time. However, the party may not 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 remedies) or make any demand under or in respect of any such agreement as result events prior to the Effective Time, the fact the Applicants sought relief under the CCAA, the effects of the implementation of the CCAA Plan.

AGM Extension and Securities Relief

106. On September 16, 2020, the Honourable Mr. Justice Hainey granted an order (the "**AGM Extension Order**"), among other things, providing that the time for CannTrust Holdings to call an annual general meeting of its shareholders would be extended until a date no later than 120 days after the expiry or termination of the Stay Period (the "**AGM Extension**").

107. The proposed CCAA Sanction Order provides that, for greater certainty, the AGM Extension shall continue in full force and effect after the Effective Time in accordance with its terms. CannTrust Holdings will be required to call an annual general meeting of its shareholders within 120 days of the Effective Time, unless it seeks further relief from the Court prior to the expiry of the AGM Extension.

108. In paragraphs 63 and 64 of the Amended and Restated Initial Order (the "**Securities Relief**"), the Court: (i) authorized the decision by the Applicants to incur no further expenses in relation to curing its public disclosure defaults and restoring its status as a reporting issuer not in default of securities legislation; and (ii) provided that none of the directors, officers, employees, and other representatives of the Applicants, the Monitor (and its directors, officers, employees and representatives), nor the CRO will have any

personal liability for the Applicants proceeding in this manner and not making the securities filings.

109. The proposed CCAA Sanction Order would continue the Securities Relief after the Effective Time until the expiry of the AGM Extension.

110. The Monitor understands that the Applicants may not be in a position to cure their reporting defaults, especially those relating to the filing of financial statements which are also necessary before CannTrust Holdings will be able to call an annual general meeting of its shareholders, by the Plan Implementation Date. Continuing the Securities Relief and the AGM Extension will provide ongoing protection for the directors, officers, employees, and other representatives of the Applicants for a limited period of time after the Plan Implementation Date (120 days), subject to further extension by the Court.

111. The Monitor is of the view that continuing the AGM Extension and Securities Relief after the Plan Implementation Date will not prejudice any stakeholder of the Applicants as (i) the common shares of the CannTrust Holdings have been cease-traded and delisted, and (ii) securities regulators and stock exchanges will remain free to take any steps within their discretion.

Discharge of CCAA Charges

112. The proposed CCAA Sanction Order provides for the termination and discharge of the following CCAA Charges as of the Effective Time:

a) the Directors' Charge, the KERP Charge and the Transaction Fee Charge (as each is provided for and defined in the Amended and Restated Initial Order);

b) the DIP Lender's Charge (as provided for and defined in the DIP Approval Order); and

c) the Intercompany Charge (as provided for and defined in the Amended and Restated Initial Order), provided that the Intercompany Advances (as provided for and defined in the Amended and Restated Initial Order) will remain outstanding and be governed by the applicable agreements between the relevant members of the Applicants.

113. The proposed CCAA Sanction Order provides that the Administration Charge (as provided for and defined in the Amended and Restated Initial Order) will continue to apply as against the administration reserve and shall be terminated, discharged, expunged and released upon the filing of the Monitor's Discharge Certificate (as defined below).

Termination of CCAA Proceedings of CTI

114. CTI is an Applicant in the CCAA Proceedings, but as it had no creditor claims asserted against it in the Claims Procedure, it has not been included as one of the CannTrust Plan Companies that is proposing the CCAA Plan. Accordingly, the CCAA Sanction Order provides that the CCAA Proceedings with respect to CTI will be terminated, and Ernst & Young Inc. will be discharged from its duties, obligations and responsibilities as Monitor of CTI, each as of the Effective Time.

Termination of CCAA Proceedings of CannTrust Plan Companies

115. As contemplated by the CCAA Plan and upon (i) the fulfillment of the Monitor's duties under the Claims Procedure Order, the Meeting Order and the CCAA Sanction Order, and (ii) the Monitor receiving an acknowledgement of payment in full of the claims secured by the Administration Charge, the Monitor shall serve on the Service List, post on the Monitor's website, and file with the CCAA Court a certificate substantially in the form attached as Schedule "C" to the proposed CCAA Sanction Order (the "**Monitor's Discharge Certificate**").

116. Upon the filing of the Monitor's Discharge Certificate:

a) the CCAA Proceedings with respect to the CannTrust Plan Companies will be terminated;

b) Ernst & Young Inc. will be discharged and released from its duties, obligations and responsibilities as Monitor of the CannTrust Plan Companies and shall be forever released, remised and discharged from any claims against it relating to its activities as Monitor of the CannTrust Plan Companies; and

c) the Administration Charge (as provided for and defined in the Amended and Restated Initial Order) shall be terminated, discharged, expunged and released.

Sealing Order

117. In connection with the RSA, the Applicants and the CCAA Representative and the CCAA Representative Counsel entered into a supplemental letter agreement (the "**SLA**") containing a limited number of confidential terms as between these parties. The Applicants were granted a sealing order of the SLA as part of the Stay Extension Order. The confidential Kalloghlian Affidavit sworn June 2, 2021 (the "**Confidential Kalloghlian Affidavit**") attaches a copy of the SLA. The Applicants are seeking to also seal the Confidential Kalloghlian Affidavit.

118. The Monitor has reviewed the Confidential Kalloghlian Affidavit and is of the view that it is appropriate for the Confidential Kalloghlian Affidavit to be sealed as disclosure of the SLA terms could prejudice the Applicants, CCAA Representative and the CCAA Representative Counsel and hinder their ability to successfully implement the settlement contemplated by the RSA and the CCAA Plan.

REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

119. The Monitor and its counsel, Aird & Berlis LLP ("**A&B**"), have maintained detailed records of their professional time and disbursements for their respective periods detailed below.

120. Pursuant to the Amended and Restated Initial Order, the Monitor and its counsel shall each be paid their reasonable fees and disbursements as part of the CCAA Proceedings and shall further pass their accounts from time to time.

121. The total fees and disbursements of the Monitor during the period from January 9, 2021 to May 14, 2021 (the "**Monitor Fee Period**") (exclusive of HST) are $614,200.41 which included fees of $473,699.00 and disbursements of $140,501.41. The majority of the

disbursements incurred during the Monitor Fee Period are attributable to the cost of the newspaper advertisements in *The Globe and Mail (National Edition)* and *Wall Street Journal* required by the CCAA Representation Order and Meeting Order. The cost of these advertisements was $114,853.61 in aggregate. Attached hereto as **Appendix "L"** is the affidavit of Alexander Morrison sworn June 2, 2021 which details the Monitor's fees and disbursements during the Monitor Fee Period.

122. The total fees and disbursements of A&B during the period from January 4, 2021 to April 30, 2021 (the "**A&B Fee Period**") (inclusive of HST) is $226,710.94 which included fees of $225,060.00 and disbursements of $1,650.94. Attached hereto as **Appendix "M"** is the affidavit of Steven Graff sworn June 2, 2021 which details the fees and disbursements of A&B during the A&B Fee Period.

123. The Monitor has reviewed A&B's accounts and confirms that the services reflected therein have been duly authorized and duly rendered and that, in the Monitor's opinion, the charges are reasonable.

124. The fees and disbursements of the Monitor and its counsel have been reviewed by the Applicants, and the Applicants have advised that they do not oppose the approval of these fees and disbursements.

STAY EXTENSION

125. The Applicants are seeking an extension of the Stay Period to the earlier of the Effective Time; or September 3, 2021. The Applicants are in the process of completing a cash flow forecast for the period from May 31, 2021 to September 5, 2021 (the "**Cash Flow Forecast**"). The Monitor intends to provide a supplemental report prior to the sanction hearing to report on the Cash Flow Forecast, and to provide the Court with its recommendation on the stay extension sought by the Applicants.

MONITOR'S RECOMMENDATION REGARDING SANCTION OF THE CCAA PLAN

126. As previously set out in the Tenth Report, the Monitor believes that the CCAA Plan will produce a more favourable result for the Affected Creditors than they would likely receive in connection with a liquidation of the assets of the Applicants. Specifically:

a) The Monitor has estimated that there would not be any proceeds available for distribution to General Unsecured Creditors of CannTrust Opco in a liquidation scenario, whereas under the CCAA Plan they will be entitled to distributions from the GUC Distribution Pool which are estimated to be in an amount equal to 17% of their Proven Claims, or more if they are a Convenience Creditor;

b) Genera Unsecured Creditors of CannTrust Holdings and Elmcliffe with Proven Claims will be paid in full; and

c) 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 Additional Settlement Parties, whereas the timing and quantity of any recovery of Securities Claimants in the absence of the CCAA Plan is highly uncertain.

127. Substantial progress has been made through the Mediation Process and the extensive settlements of the Securities Claims and Securities-Related Claims that have been achieved with the Applicants and the Additional Settlement Parties are 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, Zola Plaintiff and four of the six co-defendant groups that initially opposed the CCAA Plan, specifically the Underwriters, the Litwin Group, the Paul Settling Parties and Ian Abramowitz.

128. 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.

129. The proposed CCAA Sanction Order includes a judgment reduction provision and other protections in favour of the Non-Settling Defendants. The judgment reduction provision is intended to result in the Non-Settling Defendants being no worse off as a result of the discharge of the Securities-Related Indemnity Claims. Any judgment that is obtained against the Non-Settling Defendants will be reduced by the amount that could have been recovered against the Settlement Parties but for the release of those Securities-Related Indemnity Claims.

130. The CCAA Plan is expected to allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern, which will benefit its approximately 280 employees, the consumers and medical patients that rely on its products, its suppliers and the communities in which it operates.

131. The Monitor further notes that:

a) the Applicants have strictly complied with all statutory requirements;

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

c) the First Amended and Restated CCAA Plan was approved by the requisite majority of Affected Creditors contemplated by the Meeting Order at the Meetings; and

d) the amendments made in the Second Amended and Restated CCAA Plan were made in accordance with section 10.3(2) of the CCAA Plan.

132. The Monitor believes that the CCAA Plan appropriately balances the interests of stakeholders. For the reasons set out above, the Monitor is of the view that the CCAA Plan is fair and reasonable and the terms of the CCAA Sanction Order are appropriate.

133. Accordingly, the Monitor respectfully recommends that the Court sanction the CCAA Plan and grant the other relief set out in the proposed CCAA Sanction Order, if it sees fit to do so.

All of which is respectfully submitted this 2nd day of June, 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, LIT
Senior Vice President

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

APPENDIX "A"

SECOND AMENDED AND RESTATED 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

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

June 2, 2021

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SECOND AMENDED & RESTATED
PLAN OF COMPROMISE, ARRANGEMENT
AND REORGANIZATION

This is the second 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;

(v) Mark Ian Litwin, Fred Litwin, Stan Abramowitz, Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc. and Sutton Management Limited; and

(vi) 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 in the manner specified by the CCAA Sanction Order.

"**Assigned Claims**" means (i) the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party, other than contribution and indemnity claims and, if applicable, (ii) 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, and without limiting the generality of the foregoing (iii) the claims of CannTrust Holdings and CannTrust Opco in contract and tort against KPMG LLP as of the Filing Date.

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

"**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(t).

“**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 <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 **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 **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; and

(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,

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

4.7 **Corporate Approvals**

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

ARTICLE 5
CASH POOL AND UNRESOLVED GENERAL UNSECURED CLAIMS

5.1 **GUC Distribution Pool**

At or before the Effective Time, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount of the GUC Distribution Pool (less the portion thereof to be included in the Unresolved General Unsecured Claims Reserve in respect of Unresolved General Unsecured Claims against CannTrust Opco, which amount will be set aside or delivered to the Monitor pursuant to Section

5.2), from which cash distributions will be made to General Unsecured Creditors (Opco) with Proven Claims on and subject to the terms of Article 6. The Monitor will oversee the distribution of funds from the GUC Distribution Pool in accordance with the provisions of Article 6.

5.2 **Unresolved General Unsecured Claims Reserve**

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

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

ARTICLE 6
DISTRIBUTIONS, PAYMENTS AND CURRENCY

6.1 **Distributions Generally**

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

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

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

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

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

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

6.3 **Distribution Mechanics for Affected Claims**

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

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

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

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

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

6.5 Allocation of Distributions

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

6.6 Treatment of Unclaimed Distributions

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

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

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

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

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

6.7 Withholding Rights

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

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

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

6.9 **Calculations**

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

6.10 **Currency Matters**

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

ARTICLE 7
RELEASES AND ADDITIONAL SETTLEMENT PARTIES

7.1 Additional Settlement Parties

(1) By written agreement between CannTrust Holdings and CCAA Representative Counsel (such agreement not to be unreasonably withheld) entered into prior to the issuance of the CCAA Sanction Order, 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 against a Co-Defendant that is a Non-Settlement Party, excluding for greater certainty all Assigned Claims, 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) 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;

(g) 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;

(h) 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;

(i) 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;

(j) 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;

(k) 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 against a Co-Defendant that is a Non-Settlement Party, excluding for greater certainty all

Assigned Claims, are permanently and forever barred, estopped, stayed and enjoined;

(l) 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;

(m) 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;

(n) 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;

(o) 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;

(p) 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;

(q) 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;

(r) 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;

(s) 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.

(t) 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;

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

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

(w) 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

(x) 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 **<u>Deeming Provisions</u>**

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 2nd day of June, 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 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 the Zola Payment, 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 to be contributed to the Securities Claimant Trust by CannTrust pursuant to the Plan, together with the cash contributions of any other Additional Settlement Parties (as defined in the Plan) pursuant to the applicable Additional RSA (as defined in the Plan), 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) **"Securities Claimant Trust"** 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;

(bb) **"Trustees"** has the meaning ascribed to it in the Plan;

(cc) **"U.S. Class Action Counsel"** means Labaton Sucharow LLP and Weisz Fell Kour LLP; and

(dd) **"Zola Payment"** means, subject to the authorization by the court supervising the CCAA Proceedings of the CannTrust Group, the payment to be made by the Trustees to Zola Finance Holdings Ltd. and Igor Gimelshtein (together, "**Zola**") pursuant to the agreement to be entered into between the Trustees and Zola on or before the date that the Plan is implemented, and as contemplated by the Restructuring Support Agreement between Zola, the CannTrust Group, and the CCAA Representatives (as defined in the Plan) dated May 5, 2021.

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.

[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.

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.
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
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.

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

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 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

[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.

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. 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 "B"

COMPARISON BETWEEN THE FIRST AND SECOND AMENDED AND RESTATED 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~~SECOND AMENDED & RESTATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION OF CANNTRUST HOLDINGS INC., CANNTRUST INC., and ELMCLIFFE INVESTMENTS INC.

~~May 21~~June 2, 2021

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~~FIRST~~SECOND AMENDED & RESTATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the ~~first~~second 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;

(v) Mark Ian Litwin, Fred Litwin, Stan Abramowitz, Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc. and Sutton Management Limited; and

(vi) ~~(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 in the manner specified by the CCAA Sanction Order.

"**Assigned Claims**" means (i) the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party, other than contribution and indemnity claims and, if applicable, (ii) 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, and without limiting the generality of the foregoing (iii) the claims of CannTrust Holdings and CannTrust Opco in contract and tort against KPMG LLP as of the Filing Date.

"**Assigned Claims Related Agreement**" is defined in Section 8.2(~~t~~s).

"**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~~t).

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

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

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

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

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

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

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

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

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

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

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

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

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

4.5 **Articles of Reorganization**

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

4.6 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur and be deemed to have occurred in the order set out below unless otherwise specified in this Section 4.2 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; and

(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~~issuance of the CCAA Sanction Order, 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 **<u>Plan Releases</u>**

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 **<u>Injunctions</u>**

(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, excluding for greater certainty all Assigned Claims, 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;~~

(f) ~~(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;

(g) ~~(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;

(h) ~~(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;

(i) ~~(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;

(j) ~~(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;

(k) ~~(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, excluding for greater certainty all Assigned Claims, are permanently and forever barred, estopped, stayed and enjoined;

(l) ~~(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;

(m) ~~(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;

(n) ~~(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;

(o) ~~(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;

(p) ~~(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;

(q) ~~(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;

(r) ~~(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;

(s) ~~(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.

(t) ~~(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;

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

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

(w) ~~(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

(x) ~~(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 **<u>Non-Consummation of the CCAA Plan</u>**

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~~2nd day of ~~May~~June, 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 DISTRIBUTION SCHEME
~~Distribution of Class Compensation Fund to Members~~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 the Zola Payment, 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 to be contributed to the Securities Claimant Trust by CannTrust pursuant to the Plan, together with the cash contributions of any other Additional Settlement Parties (as defined in the Plan) pursuant to the applicable Additional RSA (as defined in the Plan), 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~~Securities Claimant Trust"** 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) **"Trustees"** has the meaning ascribed to it in the Plan;

(cc) ~~(bb)~~ **"U.S. Class Action Counsel"** means Labaton Sucharow LLP and Weisz Fell Kour LLP; and

(dd) **"Zola Payment"** means, subject to the authorization by the court supervising the CCAA Proceedings of the CannTrust Group, the payment to be made by the Trustees to Zola Finance Holdings Ltd. and Igor Gimelshtein (together, "**Zola**") pursuant to the agreement to be entered into between the Trustees and Zola on or before the date that the Plan is implemented, and as contemplated by the Restructuring Support Agreement between Zola, the CannTrust Group, and the CCAA Representatives (as defined in the Plan) dated May 5, 2021.

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 [illegible] 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]

[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.

(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.
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
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

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

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 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

[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.

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. 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:

Document comparison by Workshare Compare on Wednesday, June 02, 2021 6:08:54 PM

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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Moved from	1
Moved to	1
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Format changes	0

Total changes	141

APPENDIX "C"

TENTH REPORT WTIHOUT APPENDICES

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 19, 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) *CannTrust Holdings GUC Class* – 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) *Securities Claimant Class* – 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) Elmcliffe: It is estimated that the accepted general unsecured claim filed against Elmcliffe in the amount of $0.4 million would be paid in full, as it would be under the CCAA Plan;

b) CannTrust Opco: It is estimated that, there would be no recovery available for secured creditors (other than CannTrust Holdings) or general unsecured creditors of CannTrust Opco as the estimated net proceeds available for distribution (between approximately $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 "D"

SCRUTINEER’S REPORT ON THE ATTENDANCE AT THE MEETING OF THE CANNTRUST HOLDINGS GUC CLASS

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.

MEETING OF THE GENERAL UNSECURED CREDITORS OF CANNTRUST HOLDINGS INC.

MAY 28, 2021
11:00 a.m.

REPORT OF SCRUTINEERS ON ATTENDANCE

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

Method of Voting	Numbers of Creditors Represented	Aggregate Value of Voting Amounts
by proxy	4	$596,822.27
in person	0	Nil
Totals	4	$596,822.27

The total number of Creditors represented in person or by proxy at the Meeting was 4General Unsecured Creditors, representing 66.7% out of a total of 6 General Unsecured Creditors with claims in the CCAA proceedings. Accordingly, the undersigned scrutineers hereby report that a quorum, consisting of at least one General Unsecured Creditor present in person or by proxy, was present at the Meeting.

DATED the 28th day of May, 2021.

Franca F Mazzulla Digitally signed by Franca F Mazzulla
DN: cn=Franca F Mazzulla, email=Franca.Mazzulla@parthenon.ey.com
Reason: ok behalf of Alex Morrison
Date: 2021.05.28 15:40:20 -04'00'

Franca Mazzulla

WP538HM Digitally signed by WP538HM
DN: cn=WP538HM, email=Nick.Hilborn@parthenon.ey.com
Date: 2021.05.28 15:49:20 -04'00'

Nick Hilborn

APPENDIX "E"

CANNTRUST HOLDINGS GUC CLASS MINUTES OF THE MEETING

AIRD BERLIS

MEMORANDUM

TO: Ernst & Young Inc.

CC: McCarthy Tétrault LLP

FROM: Aird & Berlis LLP

DATE: May 28, 2021

RE: Minutes of the Meeting of the General Unsecured Creditors of CannTrust Holdings Inc. ("**CannTrust Holdings**") held on May 28, 2021, at 11:00 a.m. EST

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

1. Call to order 11:02

Alex Morrison, Senior Vice President at Ernst & Young Inc., the Court-appointed Monitor for the Applicants, which include CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc., called the meeting to order.

2. Introduction of the head table 11:03

James Gage and Trevor Courtis of McCarthy Tétrault LLP, counsel to the Applicants

Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor

David Blair, Chief Financial Officer of the CannTrust Plan Companies, was also present at the meeting.

3. Role of the chair and appointment of the secretary 11:04

Alex Morrison chaired the meeting.

The chair appointed Jonathan Yantzi to act as secretary.

4. Attendance at the meeting 11:05

Attendance at the meeting was restricted to General Unsecured Creditors of CannTrust Holdings entitled to vote at the meeting and their proxy holders, legal counsel and advisors; representatives of CannTrust Holdings, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and the scrutineers.

5. Appointment of scrutineers 11:05

The chair appointed Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as scrutineers.

6. Scrutineers' report on attendance and quorum **11:06**

Four General Unsecured Creditors with Voting Claims that are General Unsecured Claims against CannTrust Holdings attended the meeting by proxy.

7. Overview of the Plan **11:06**

The chair gave an overview of the Plan.

8. Resolution for a vote on the Plan **11:07**

Alex Morrison, as holder of the Proxy of CNW Group Ltd., made the following motion:

> The First Amended and Restated Plan of Compromise, Arrangement and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

Alex Morrison, as holder of the Proxy of Deloitte LLP, seconded the motion.

9. Pre-meeting proxy and convenience creditor vote results **11:07**

Four Creditors with Voting Claims that are General Unsecured Claims against CannTrust Holdings filed proxies with the Monitor before the meeting.

As instructed by these Affected Creditors with unsecured claims, and as permitted by the Meeting Order, Alex Morrison voted these proxies as follows:

	Number of Proxies	Value of Proxies
For	3	$566,594.77
Against	1	$30,227.50

10. Vote **11:08**

As there were no Creditors or proxy holders in attendance at the meeting to cast any votes, the pre-meeting calculation of the votes was the final tally.

11. Report on the vote **11:09**

The following are the results of the votes by Creditors holding Proven Claims:

	Number	Value	Percentage Number	Percentage Value
For	3	$566,594.77	75%	95%
Against	1	$30,227.50	25%	5%
Total	4	$596,822.27	100%	100%

The motion was carried, and the resolution was adopted.

The chair declared that the class of General Unsecured Creditors of CannTrust Holdings duly approved the Plan.

12. Termination of the meeting **11:10**

Alex Morrison, as holder of the Proxy of CNW Group Ltd., moved that the meeting be terminated.

Alex Morrison, as holder of the Proxy of Deloitte LLP, seconded the motion.

There was no opposition to the motion to terminate the meeting, and the motion to terminate the meeting was carried.

MEETING OF GENERAL UNSECURED CREDITORS

OF CANNTRUST HOLDINGS INC.

CHAIRMAN'S SCRIPT

FRIDAY, MAY 28, 2021

At 11:00 a.m. (Eastern Time)

Microsoft Teams Meeting

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CHAIRMAN'S CALL TO ORDER:	Good morning ladies and gentlemen. My name is Alex Morrison. I am a Senior Vice President at Ernst & Young Inc., the Court appointed Monitor for the CannTrust Group, which includes the CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. It is now 11:00 a.m. and I would like to call this meeting to order. This is the meeting of the class of Creditors holding General Unsecured Claims against CannTrust Holdings Inc. (which I will refer to as "**CannTrust Holdings**") to vote on the First Amended and Restated Plan of Compromise, Arrangement and Reorganization of the CannTrust Plan Companies dated May 21, 2021, which I will refer to as the "**Plan**". The CannTrust Plan Companies consist of CannTrust Holdings, CannTrust Inc. and Elmcliffe Investments Inc. This meeting has been called pursuant to the order of Mr. Justice Hainey of the Ontario Superior Court of Justice made on April 16, 2021, which I will refer to as the "Meeting Order". This meeting will be conducted in accordance with the terms of the Meeting Order and applicable law. ***[If no creditors in attendance, skip the below]***

	Copies of the Meeting Order and other Meeting Materials were previously distributed and posted on the Monitor's Website pursuant to the Meeting Order. You can find this material under the heading "Creditors' Meeting". Any defined terms that I use during the course of this meeting will have the meanings given to them in the Plan, unless I otherwise define them. Before we start, we would like to share some rules for the meeting. Please keep yourself on mute for the meeting so as to not interrupt the presentation. Should you have any questions, you may submit a question on the conversation pane of the screen during the question period and I will ensure that it is addressed. At that time, you may also raise your hand and the Monitor will call on you to ask your question. At the end of today's meeting, a vote on the Resolution to authorize and approve the Plan will be called. If you experience technical difficulties, please either write a comment in the question box or if you are disconnected, please call the Monitor at 416-932-5348.

INTRODUCTION OF HEAD TABLE:	With me today for this meeting are: James Gage and Trevor Courtis of McCarthy Tetrault LLP, counsel to the Applicants; Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor. Also present at this meeting is/are *[Greg Guyatt, Chief Executive Officer, and]* David Blair, Chief Financial Officer of the CannTrust Plan Companies.
ROLE OF CHAIR & APPOINTMENT OF SECRETARY:	In accordance with the Meeting Order, I will chair the meeting and I appoint Mr. Yantzi to act as Secretary. As set out in the Meeting Order, all matters relating to the conduct of the meeting are to be determined by the Chair. I will also ask Mr. Yantzi to assist me with procedural matters in connection with the meeting.
ATTENDANCE AT THE MEETING:	Pursuant to the Meeting Order, attendance at this meeting is restricted to General Unsecured Creditors of CannTrust Holdings entitled to vote at the meeting and their proxyholders, legal counsel and advisors; representatives of CannTrust Holdings, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and the Scrutineers.

APPOINTMENT OF SCRUTINEERS:	I appoint Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as Scrutineers. The Scrutineers will report on the number of General Unsecured Creditors represented in person and by proxy at this meeting and the total value of the Voting Claims held by such General Unsecured Creditors. The Scrutineers will compute and report on the ballots cast at this meeting.
ORDER OF BUSINESS:	As outlined in the notice of meeting, the only item of business to be considered today is a resolution to approve the Plan in accordance with the Meeting Order and to transact such other business that may come before the meeting or any adjournment thereof. A copy of the Plan is available on the Monitor's website.
NOTICE OF MEETING:	***[Section removed for brevity]***

SCRUTINEERS' REPORT ON ATTENDANCE AND QUORUM:	Quorum for this meeting is the presence in person or by proxy of one General Unsecured Creditor with a Voting Claim that is a General Unsecured Claim against CannTrust Holdings. The Scrutineers' report has been received, showing that attending this meeting in person via videoconference or by proxy are **4** General Unsecured Creditors with Voting Claims that are General Unsecured Claims against CannTrust Holdings. As a result, I declare that we have a quorum and the meeting is properly constituted for the transaction of today's business.
PURPOSE OF THE MEETING:	***[Section removed for brevity]***

OVERVIEW OF PLAN:	***[Section reduced for brevity]*** The Plan provides that 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. The treatment of other classes of Affected Creditors under the Plan is detailed in the Plan, the Information Statement, and the Tenth Report, each of which is available on the Monitor's website. The Plan and the Meeting Order provided that the Plan could be amended, restated, modified and/or supplemented at any time prior to the Meetings. Since it was filed originally on April 16, 2021, the Plan has been amended once. The Plan that is being voted on today is the First Amended & Restated Plan dated May 21, 2021, which was attached as Appendix "C" to the Tenth Report and was described therein. The amendments to the Plan included, among others: 1. the additional of certain Additional Settlement Parties; and 2. certain other amendments to reflect input received from stakeholders or for further clarity.

ALTERNATIVE TO THE PLAN AND THE MONITOR'S RECOMMENDATION:	***[Section removed for brevity]***
PRECONDITIONS TO PLAN IMPLEMENTATION	***[Section removed for brevity]***

PROCEDURE FOR A VOTE:	***[If no creditors in attendance, skip the below]*** Before continuing with the business of the meeting, I would like to comment on the voting procedure. The only persons entitled to vote at this meeting are Creditors holding General Unsecured Claims against CannTrust Holdings that are Proven Claims or Unresolved General Unsecured Claims against CannTrust Holdings, as well as all such parties' respective proxies. For purposes of voting at the Meeting, each Creditor holding a General Unsecured Claim against CannTrust Holdings that is a Proven Claim is entitled to one vote with a value equal to the dollar value of such Proven Claim in accordance with the Claims Procedure Order. Votes will be tabulated by reference to the number of Creditors holding General Unsecured Claims against CannTrust Holdings, and by reference to the dollar value of the General Unsecured Claim of each General Unsecured Creditor of CannTrust Holdings voting in person or by proxy. In order for the Plan to be approved by the General Unsecured Creditors of CannTrust Holdings in accordance with the *Companies' Creditors Arrangement Act*, a majority in number representing a two-thirds majority in dollar value of the class that is

	present and voting at the Meeting in person or by proxy must vote in favour of the Plan. I would like to open the floor for questions with respect to either the Plan or the voting procedure. You may raise your hand now if you have a question. When you are called upon, please unmute yourself and state your name and the creditor you represent, prior to your question. Alternatively you can type a question in the conversation tab and the Monitor will read out the question to the meeting. For creditors who have dialed in, we will call on you at the end to ask any questions you may have. **[After all the questions have been answered in Teams, if there are people calling in]** Are there any questions from callers? You may now unmute yourself to ask your question.

RESOLUTION FOR VOTE ON PLAN:	We will now proceed with voting on the resolution to approve the Plan. For the sake of clarity, the First Amended and Restated Plan of Compromise, Arrangement and Reorganization dated May 21, 2021 is being voted on. I will now read out the proposed Resolution and then ask that a proxyholder move to approve the Resolution. ***BE IT RESOLVED THAT:*** ***1. The First Amended and Restated Plan of Compromise, Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act (Canada) and the Business Corporations Act (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.*** I ask for a motion to approve the Resolution. *"I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of CNW Group Ltd will make the motion."* *"I Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of Deloitte will second the motion*" Does anyone oppose?

<table>
<tr>
<td>PRE-MEETING PROXY AND CONVENIENCE CREDITOR VOTE RESULTS:</td>
<td>As permitted by the Meeting Order, a number of Creditors with Voting Claims that are General Unsecured Claims against CannTrust Holdings provided proxies which were filed with the Monitor prior to this meeting. As instructed by these Affected Creditors with unsecured claims, and as permitted by the Meeting Order, I will vote these proxies as follows:
<table>
<tr><th></th><th># of Proxies</th><th>$ Value of Proxies</th></tr>
<tr><td>For:</td><td>3</td><td>$566,594.77</td></tr>
<tr><td>Against:</td><td>1</td><td>$30,227.50</td></tr>
</table>
</td>
</tr>
</table>

VOTE:	***[If there are creditors in attendance, use the below]*** We will move to vote on the motion using the Survey that the Monitor will provide on screen. If you have already submitted a proxy, then you have already submitted your vote and there is nothing further for you to do. However, you may still wish to elect to vote at the meeting, if you so choose. I will pause for a few minutes to allow you time to vote and for the Scrutineers to determine the results. We ask that you stay on the Microsoft Teams call if you wish to hear the results of the vote after the count is completed. I will now ask the Monitor and Scrutineers to include the survey link for each Creditors to access and vote upon. When clicking on the link, please make sure to open the link in a new tab so that you do not exit the meeting. **[<u>Optional</u> - if there are any callers]** If you are calling in and wish to vote verbally, please ensure you state your name, the creditor you represent, and your Creditor Identification Number. [**After pausing for a sufficient time for the Scrutineers to receive the responses and compare them against the proxies that have been filed. Brief**

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Adjournment while votes are tabulated - only if the survey is completed during the meeting by any of the creditors. Otherwise, the pre-meeting calculation of the votes will be presented immediately]

Ladies and gentlemen, we are ready to start again. The Scrutineers has completed their report on voting and will present the results.

[If no creditors in attendance, use the below]

As there are no Creditors or proxyholders in attendance at the meeting to cast any votes, the pre-meeting calculation of the votes will be the final tally.

</td></tr>
<tr><td>REPORT ON VOTE:</td><td>

The following are the results of the votes by Creditors holding Proven Claims:

<table>
<tr><th></th><th>Number</th><th>Value</th><th>%Number</th><th>% Value</th></tr>
<tr><td>In favour</td><td>3</td><td>$566,594.77</td><td>75%</td><td>95%</td></tr>
<tr><td>Against</td><td>1</td><td>$30,227.50</td><td>25%</td><td>5%</td></tr>
<tr><td>Total</td><td>4</td><td>$596,822.27</td><td>100%</td><td>100%</td></tr>
</table>

The Motion is carried – the Resolution has been adopted and I declare that the Plan has been duly approved by the class of General Unsecured Creditors of CannTrust Holdings.

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</table>

TERMINATION OF MEETING:	If there is no further business to come before this meeting, may I please now have a motion from the floor to terminate this meeting? **[Alex Morrison]**: *I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of CNW Group Ltd, move that the meeting be terminated.* **[Alex Morrison]:** *I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of Deloitte Inc., second this motion.* Thank you. Any opposed to the motion? The motion to terminate the meeting is hereby carried. This concludes the meeting. Thank you for attending.

APPENDIX "F"
SCRUTINEER'S REPORTS ON ATTENDANCE AT THE MEETING OF THE ELMCLIFFE GUC CLASS

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.

MEETING OF THE GENERAL UNSECURED CREDITORS OF ELMCLIFFE INVESTMENTS INC.

MAY 28, 2021
11:30 a.m.

REPORT OF SCRUTINEERS ON ATTENDANCE

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

Method of Voting	Numbers of Creditors Represented	Aggregate Value of Voting Amounts
by proxy	1	$400,000.00
in person	0	Nil
Totals	1	$400,000.00

The total number of Creditors represented in person or by proxy at the Meeting was 1General Unsecured Creditors, representing 100% out of a total of 1 General Unsecured

Creditors with claims in the CCAA proceedings. Accordingly, the undersigned scrutineers hereby report that a quorum, consisting of at least one General Unsecured Creditor present in person or by proxy, was present at the Meeting.

DATED the 28th day of May, 2021.

Franca F Mazzulla

Digitally signed by Franca F Mazzulla
DN: cn=Franca F Mazzulla, email=Franca.Mazzulla@parthenon.ey.com
Reason: ok behalf of Alex Morrison
Date: 2021.05.28 15:40:37 -04'00'

Franca Mazzulla

WP538HM

Digitally signed by WP538HM
DN: cn=WP538HM, email=Nick.Hilborn@parthenon.ey.com
Date: 2021.05.28 15:59:24 -04'00'

Nick Hilborn

APPENDIX "G"
ELMCLIFFE CLASS MINUTES OF THE MEETING

AIRD BERLIS

MEMORANDUM

TO: Ernst & Young Inc.

CC: McCarthy Tétrault LLP

FROM: Aird & Berlis LLP

DATE: May 28, 2021

RE: Minutes of the Meeting of the General Unsecured Creditors of Elmcliffe Investments Inc. (“**Elmcliffe**”) held on May 28, 2021, at 11:30 a.m. EST

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

1. Call to order 11:32

Alex Morrison, Senior Vice President at Ernst & Young Inc., the Court-appointed Monitor for the Applicants, which include CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc., called the meeting to order.

2. Introduction of the head table 11:33

James Gage and Trevor Courtis of McCarthy Tétrault LLP, counsel to the Applicants

Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor

David Blair, Chief Financial Officer of the CannTrust Plan Companies, was also present at the meeting.

3. Role of the chair and appointment of the secretary 11:34

Alex Morrison chaired the meeting.

The chair appointed Jonathan Yantzi to act as secretary.

4. Attendance at the meeting 11:35

Attendance at the meeting was restricted to General Unsecured Creditors of Elmcliffe entitled to vote at the meeting and their proxyholders legal counsel and advisors; representatives of the Applicants, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and the scrutineers.

5. Appointment of scrutineers 11:35

The chair appointed Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as scrutineers.

6. Scrutineers’ report on attendance and quorum 11:36

One General Unsecured Creditor with a Voting Claim that is a General Unsecured Claim against Elmcliffe attended the meeting by proxy.

7. Overview of the Plan 11:36

The chair gave an overview of the Plan.

8. Resolution for a vote on the Plan 11:37

Alex Morrison, as the proxyholder for the sole General Unsecured Creditor of Elmcliffe, made and passed the following motion:

> The First Amended & Restated Plan of Compromise, Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act (Canada) and the Business Corporations Act (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

9. Report on the vote 11:38

The sole Affected Creditor provided a proxy instructing Alex Morrison to vote in favour of the Plan. Accordingly, the Resolution has been adopted and the Plan has been duly approved by the class of General Unsecured Creditors of Elmcliffe.

10. Termination of the meeting 11:39

Alex Morrison, as the proxyholder for the sole General Unsecured Creditor of Elmcliffe., made and passed a motion to terminate the meeting.

MEETING OF GENERAL UNSECURED CREDITORS

OF ELMCLIFFE INVESTMENTS INC.

CHAIRMAN'S SCRIPT

FRIDAY, MAY 28, 2021

At 11:30 a.m. (Eastern Time)

Microsoft Teams Meeting

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CHAIRMAN'S CALL TO ORDER:	Good morning ladies and gentlemen. My name is Alex Morrison. I am a Senior Vice President at Ernst & Young Inc., the Court appointed Monitor for the CannTrust Group, which includes CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. It is now 11:30 a.m. and I would like to call this meeting to order. This is the meeting of the class of Creditors holding General Unsecured Claims against Elmcliffe Investments Inc. (which I will refer to as "**Elmcliffe**") to vote on the First Amended & Restated Plan of Compromise, Arrangement and Reorganization of the CannTrust Plan Companies dated May 21, 2021, which I will refer to as the "**Plan**". The CannTrust Plan Companies consists of CannTrust Holdings, CannTrust Inc. and Elmcliffe. This meeting has been called pursuant to the order of Mr. Justice Hainey of the Ontario Superior Court of Justice made on April 16, 2021, which I will refer to as the "Meeting Order". This meeting will be conducted in accordance with the terms of the Meeting Order and applicable law.

INTRODUCTION OF HEAD TABLE:	With me today for this meeting are: James Gage and Trevor Courtis of McCarthy Tetrault LLP, counsel to the Applicants; Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor. Also present at this meeting is David Blair, Chief Financial Officer of the CannTrust Plan Companies.
ROLE OF CHAIR & APPOINTMENT OF SECRETARY:	In accordance with the Meeting Order, I will chair the meeting and I appoint Mr. Yantzi to act as Secretary. As set out in the Meeting Order, all matters relating to the conduct of the meeting are to be determined by the Chair. I will also ask Mr. Yantzi to assist me with procedural matters in connection with the meeting.
ATTENDANCE AT THE MEETING:	Pursuant to the Meeting Order, attendance at this meeting is restricted to General Unsecured Creditors of Elmcliffe entitled to vote at the meeting and their proxyholders, legal counsel and advisors; representatives of the Applicants, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and the Scrutineers.

APPOINTMENT OF SCRUTINEERS:	I appoint Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as Scrutineers.
ORDER OF BUSINESS:	As outlined in the notice of meeting, the only item of business to be considered today is a resolution to approve the Plan in accordance with the Meeting Order and to transact such other business that may come before the meeting or any adjournment thereof. A copy of the Plan is available on the Monitor's website.
NOTICE OF MEETING:	***[Section removed for brevity]***
SCRUTINEERS'S REPORT ON ATTENDANCE AND QUORUM:	Quorum for this meeting is the presence in person or by proxy of one General Unsecured Creditor with a Voting Claim that is a General Unsecured Claim against Elmcliffe. As I have been appointed the proxyholder for the sole General Unsecured Creditor of Elmcliffe, I declare that we have a quorum and the meeting is properly constituted for the transaction of today's business.
PURPOSE OF THE MEETING:	***[Section removed for brevity]***

OVERVIEW OF PLAN:	***[Section reduced for brevity]*** The treatment of General Unsecured Creditors of Elmcliffe, as well as the other classes of Affected Creditors, under the Plan is detailed in the Plan, the Information Statement and the Tenth Report, each of which is available on the Monitor's website. The Plan and the Meeting Order provided that the Plan could be amended, restated, modified and/or supplemented at any time prior to the Meetings. Since it was filed originally on April 16, 2021, the Plan has been amended once. The Plan that is being voted on today is the First Amended & Restated Plan dated May 21, 2021, which was attached as Appendix "C" to the Tenth Report and was described therein. The amendments to the Plan included, among others: 1. the additional of certain Additional Settlement Parties; and 2. certain other amendments to reflect input received from stakeholders or for further clarity.
ALTERNATIVE TO THE PLAN AND THE MONITOR'S RECOMMENDATION:	***[Section removed for brevity]***

PRECONDITIONS TO PLAN IMPLEMENTATION	***[Section removed for brevity]***
PROCEDURE FOR A VOTE:	***[Section removed for brevity]***
RESOLUTION FOR VOTE ON PLAN:	We will now proceed with voting on the resolution to approve the Plan. For the sake of clarity, the First Amended & Restated Plan of Compromise, Arrangement and Reorganization dated May 21, 2021 is being voted on. I will now read out the proposed Resolution and then ask that a proxyholder move to approve the Resolution. ***BE IT RESOLVED THAT:*** ***1. The First Amended & Restated Plan of Compromise, Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act (Canada) and the Business Corporations Act (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.*** As the proxyholder for the sole General Unsecured Creditor of Elmcliffe, I will make and pass a motion to approve the Resolution.

REPORT ON VOTE:	As permitted by the Meeting Order, the sole Affected Creditor has provided a proxy instructing me to vote in favour of the Plan. Accordingly, the Resolution has been adopted and the Plan has been duly approved by the class of General Unsecured Creditors of Elmcliffe.
TERMINATION OF MEETING:	As there is no further business to come before this meeting, as the proxyholder for the sole General Unsecured Creditor of Elmcliffe, I will make and pass a motion to terminate this meeting. This concludes the meeting. Thank you for attending.

APPENDIX "H"

SCRUTINEER'S REPORTS ON ATTENDANCE AT THE MEETING OF THE OPCO GUC CLASS

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.

MEETING OF THE GENERAL UNSECURED CREDITORS OF CANNTRUST INC.

MAY 28, 2021
12:00 a.m.

REPORT OF SCRUTINEERS ON ATTENDANCE

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

Method of Voting	Numbers of Creditors Represented	Aggregate Value of Voting Amounts
by proxy	60	$1,109,457.40
in person	4	36,412.52
Totals	64	$1,145,869.92

The total number of Creditors represented in person or by proxy at the Meeting was 64 General Unsecured Creditors, representing 32.5% out of a total of 203 General

Unsecured Creditors with claims in the CCAA proceedings. Accordingly, the undersigned scrutineers hereby report that a quorum, consisting of at least one General Unsecured Creditor present in person or by proxy, was present at the Meeting.

DATED the 28th day of May, 2021.

Franca F Mazzulla

Digitally signed by Franca F Mazzulla
DN: cn=Franca F Mazzulla, email=Franca.Mazzulla@parthenon.ey.com
Reason: ok behalf of Alex Morrison
Date: 2021.05.28 15:42:18 -04'00'

Franca Mazzulla

WP538HM

Digitally signed by WP538HM
DN: cn=WP538HM, email=Nick.Hilborn@parthenon.ey.com
Date: 2021.05.28 15:59:48 -04'00'

Nick Hilborn

APPENDIX "I"

OPCO GUC CLASS MINUTES OF THE MEETING

AIRD BERLIS

MEMORANDUM

TO: Ernst & Young Inc.

CC: McCarthy Tétrault LLP

FROM: Aird & Berlis LLP

DATE: May 28, 2021

RE: Minutes of the Meeting of the General Unsecured Creditors of CannTrust Inc. ("**CannTrust Opco**") held on May 28, 2021, at noon EST

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

1. Call to order **12:04**

Alex Morrison, Senior Vice President at Ernst & Young Inc., the Court-appointed Monitor for the Applicants, which include CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc., called the meeting to order.

2. Introduction of the head table **12:07**

James Gage and Trevor Courtis of McCarthy Tétrault LLP, counsel to the Applicants

Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor

Greg Guyatt and David Blair, Chief Executive Officer and Chief Financial Officer, respectively, of the CannTrust Plan Companies, were also present at the meeting.

3. Role of the chair and appointment of the secretary **12:08**

Alex Morrison chaired the meeting.

The chair appointed Jonathan Yantzi to act as secretary.

4. Attendance at the meeting **12:08**

Attendance at the meeting was restricted to General Unsecured Creditors of CannTrust Opco who are entitled to vote at the meeting and their proxy holders, legal counsel and advisors; representatives of CannTrust Opco, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and scrutineers.

5. Appointment of scrutineers **12:09**

The chair appointed Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as scrutineers.

6. Scrutineers' report on attendance and quorum **12:12**

Sixty-four General Unsecured Creditors with Voting Claims that are General Unsecured Claims against CannTrust Opco attended the meeting in person via videoconference or by proxy.

7. Overview of the Plan **12:15**

The chair gave an overview of the Plan.

8. Alternative to the Plan and the Monitor's recommendation **12:22**

The chair elaborated on the Monitor's recommendation that General Unsecured Creditors of CannTrust Opco vote in favour of the resolution to approve the Plan.

9. Preconditions to Plan implementation **12:25**

The chair described key preconditions to the implementation of the Plan.

10. Procedure for a vote **12:26**

The chair explained the voting procedure.

Adaeze Anene asked the chair to clarify the subject of the vote. The chair confirmed that the vote concerns a resolution to approve the Plan and that he would read the resolution aloud before the vote.

11. Resolution for a vote on the Plan **12:30**

Alex Morrison, as holder of the Proxy of Securitas Canada Limited, made the following motion:

> The First Amended and Restated Plan of Compromise, Arrangement and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

Alex Morrison, as holder of the Proxy of Gay Company Limited, seconded the motion.

Adaeze Anene asked the chair again to clarify the subject of the vote. The chair explained the resolution, and a representative of the Monitor corresponded separately with Adaeze Anene to ensure that the question was answered satisfactorily.

12. Pre-meeting proxy and convenience creditor vote results 12:32

Sixty Creditors with Voting Claims that are General Unsecured Claims against CannTrust Opco filed proxies with the Monitor before the meeting.

As instructed by these Affected Creditors with unsecured claims, and as permitted by the Meeting Order, Alex Morrison voted these proxies as follows:

	Number of Proxies	Value of Proxies
For	55	$866,421.42
Against	4	$131,937.00

There were unresolved Claims that were voted by proxy:

	Number of Proxies	Value of Proxies
For	1	$111,098.98
Against	0	$0

13. Vote 12:33

The chair briefly adjourned the meeting to allow time for voting by online survey and for the scrutineers to determine the results. Creditors were also offered the opportunity to vote verbally.

14. Report on the vote **1:06**

The following are the results of the votes by Creditors holding Proven Claims:

	Number	Value	Percentage Number	Percentage Value
For	58	$877,287.79	92.06%	84.78%
Against	5	$157,483.15	7.94%	15.22%
Total	63	$1,034,770.94	100.00%	100.00%

The following are the results of the votes by Creditors holding Unresolved General Unsecured Claims:

	Number	Value	Percentage Number	Percentage Value
For	1	$111,098.98	100%	100%
Against	0	$0	0%	0%
Total	1	$111,098.98	100%	100%

The motion was carried, and the resolution was adopted.

The chair declared that the class of General Unsecured Creditors of CannTrust Opco duly approved the Plan.

15. Termination of the meeting **1:10**

Alex Morrison, as holder of the Proxy of Securitas Canada Limited, moved that the meeting be terminated.

Alex Morrison, as holder of the Proxy of Deloitte LLP, seconded the motion.

There was no opposition to the motion to terminate the meeting, and the motion to terminate the meeting was carried.

MEETING OF GENERAL UNSECURED CREDITORS

OF CANNTRUST INC.

CHAIRMAN'S SCRIPT

FRIDAY, MAY 28, 2021

At 12:00 p.m. (Eastern Time)

Microsoft Teams Meeting

TABLE OF CONTENTS

CHAIRMAN'S CALL TO ORDER:	Good morning ladies and gentlemen. My name is Alex Morrison. I am a Senior Vice President at Ernst & Young Inc., the Court appointed Monitor for the CannTrust Group, which includes CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. It is now 12:00 p.m. and I would like to call this meeting to order. This is the meeting of the class of Creditors holding General Unsecured Claims against CannTrust Inc. (which I will refer to as "CannTrust Opco") to vote on the First Amended & Restated Plan of Compromise, Arrangement and Reorganization of the CannTrust Plan Companies dated May 21, 2021, which I will refer to as the "Plan". The CannTrust Plan Companies consist of CannTrust Holdings Inc., CannTrust Opco and Elmcliffe Investments Inc. This meeting has been called pursuant to the order of Mr. Justice Hainey of the Ontario Superior Court of Justice made on April 16, 2021, which I will refer to as the "Meeting Order". This meeting will be conducted in accordance with the terms of the Meeting Order and applicable law. Copies of the Meeting Order and other Meeting Materials were previously distributed and posted on the

	Monitor's Website pursuant to the Meeting Order. You can find this material under the heading "Creditors' Meeting". Any defined terms that I use during the course of this meeting will have the meanings given to them in the Plan, unless I otherwise define them. Before we start, we would like to share some rules for the meeting. Please keep yourself on mute for the meeting so as to not interrupt the presentation. Should you have any questions, you may submit a question on the conversation pane of the screen during the question period and I will ensure that it is addressed. At that time, you may also raise your hand and the Monitor will call on you to ask your question. At the end of today's meeting, a vote on the Resolution to authorize and approve the Plan will be called. If you experience technical difficulties, please either write a comment in the question box or if you are disconnected, please call the Monitor at 416-932-5348. [**pause**]

INTRODUCTION OF HEAD TABLE:	With me today for this meeting are: James Gage and Trevor Courtis of McCarthy Tetrault LLP, counsel to the Applicants; Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor. Also present at this meeting are Greg Guyatt, Chief Executive Officer, and David Blair, Chief Financial Officer of the CannTrust Plan Companies.
ROLE OF CHAIR & APPOINTMENT OF SECRETARY:	In accordance with the Meeting Order, I will chair the meeting and I appoint Mr. Yantzi to act as Secretary. As set out in the Meeting Order, all matters relating to the conduct of the meeting are to be determined by the Chair. I will also ask Mr. Yantzi to assist me with procedural matters in connection with the meeting.

ATTENDANCE AT THE MEETING:	Pursuant to the Meeting Order, attendance at this meeting is restricted to General Unsecured Creditors of CannTrust Opco who are entitled to vote at the meeting and their proxyholders, legal counsel and advisors; representatives of CannTrust Opco, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and Scrutineers. All others are not entitled to attend unless admitted to this meeting on invitation by the Chair. Accordingly, if there are any persons not entitled to be present, they should withdraw from the meeting now. If you are unsure, please submit a question in the comments section. **[pause]**

APPOINTMENT OF SCRUTINEERS:	I appoint Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as Scrutineers. The Scrutineers will report on the number of General Unsecured Creditors represented in person and by proxy at this meeting and the total value of the Voting Claims held by such General Unsecured Creditors. The Scrutineers will separately report on the number of Creditors with an Unresolved General Unsecured Claim represented in person and by proxy at this meeting and the value accepted by the Monitor, for voting purposes only, in respect of the Unresolved General Unsecured Claims. Finally, the Scrutineers will compute and report on the ballots cast at this meeting.
ORDER OF BUSINESS:	As outlined in the notice of meeting, the only item of business to be considered today is a resolution to approve the Plan in accordance with the Meeting Order and to transact such other business that may come before the meeting or any adjournment thereof. A copy of the Plan is available on the Monitor's website.

NOTICE OF MEETING:	In accordance with the Meeting Order, the Monitor sent copies of the GUC Meeting Materials to all General Unsecured Creditors with Proven Claims and Unresolved General Unsecured Claims in respect of which a proof of claim has been filed with the Monitor in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order. The GUC Meeting Materials, as well as the Plan and Meeting Order are also posted on the Monitor's website and notice of this meeting was published in the national edition of *The Globe and Mail* and in *The Wall Street Journal* on April 22, 2021, all in accordance with the Meeting Order.

SCRUTINEERS'S REPORT ON ATTENDANCE AND QUORUM:	Quorum for this meeting is the presence in person or by proxy of one General Unsecured Creditor with a Voting Claim that is a General Unsecured Claim against CannTrust Opco. The Scrutineers' report has been received, showing that attending this meeting in person via videoconference or by proxy are **64** General Unsecured Creditors with Voting Claims that are General Unsecured Claims against CannTrust Opco. As a result, I declare that we have a quorum and the meeting is properly constituted for the transaction of today's business.
PURPOSE OF THE MEETING:	As you are aware, the purpose of this meeting is to consider and, if advisable, pass a Resolution approving the Plan.

OVERVIEW OF PLAN:	Prior to an overview of the Plan, I will provide some brief background on the CannTrust Group, its CCAA Proceedings and how we got to where we are today, which is detailed further in various reports that have been filed by the Monitor in the CCAA Proceedings, and are available on the Monitor's Website. Further details of the CannTrust Group's background and financial affairs are provided in the Monitor's Tenth Report dated May 21, 2021, which I will refer to as the Tenth Report. ***Background to CCAA Proceedings*** The CannTrust Group is a licensed producer of cannabis in Canada. The business of the CannTrust Group is focused on two distinct markets: the medical cannabis market and the adult-use recreational cannabis market. Following regulatory audits of its facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws, and its cannabis licences were partially suspended. Subsequently, multiple putative securities class actions and other actions were commenced in Canada and the United States alleging that CannTrust Holdings made misrepresentations in its disclosure to investors related to the findings of the Health Canada Audits, which I will refer to generally

	as the "Actions" going forward. The aggregate damages sought in the Actions is at least $500 million. ***CCAA Proceedings*** The CannTrust Group filed for and received protection under the CCAA on March 31, 2020, and Ernst & Young Inc. was appointed by the Court as Monitor. Since commencing the CCAA Proceedings, the CannTrust Group has completed each of its business restructuring objectives. Among other things: (a) it completed the remainder of its remediation work and the cannabis licences for its Fenwick Facility and Vaughan Facility were reinstated in May and August 2020, respectively; and (b) it resumed production and processing operations at these facilities and returned to the recreational and medical cannabis markets in December 2020 and January 2021, respectively. On May 8, 2020, the CCAA Court issued an order appointing the Honourable Dennis O'Connor, Q.C. as the Court-Appointed Mediator to conduct a mediation process between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of

	the Securities Claims and related claims between the various parties. As a result of the extensive negotiations facilitated by the Court-Appointed Mediator, on January 19, 2021, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. The Plan implements this framework and generally provides for the payment or compromise, as applicable, of all General Unsecured Claims against the CannTrust Plan Companies. ***Classes of Creditors*** The Meeting Order provides that Affected Creditors are divided into four separate classes for the purposes of considering and voting on the Plan. Three classes are comprised of Creditors holding General Unsecured Claims against CannTrust Holdings Inc., CannTrust Opco and Elmcliffe Investments Inc., respectively. The fourth class is comprised of Creditors holding Securities Claims. This is the meeting of the class of

	Creditors holding General Unsecured Claims against CannTrust Opco. ***Overview of Plan*** The Plan provides for the following treatment of Creditors holding General Unsecured Claims against CannTrust Opco: 1) First, each Creditor with a Proven Claim less than or equal to $2,500 in aggregate will receive the amount of their Proven Claim; 2) Second, each Creditor 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; and 3) Third, each Creditor with a Proven Claim greater than $2,500 that did not deliver an Election Notice will receive the lesser of 17% of their Proven Claims or their pro rata share of the $900,000 GUC Distribution after deducting (i) the amounts paid to Convenience Creditors, and (ii) a reserve for Unresolved General Unsecured Claims. 4) Fourth, all Affected Claims, other than the Channelled Claims and Unaffected Claims, will

	be fully, finally, irrevocably and forever compromised, released, discharged and barred. In addition to the release and discharge of Affected Claims, the Plan provides for release and discharge of the members of the CannTrust Group and the Monitor and their respective Representatives, including, among other things, any claims relating to the assets, obligations, business or affairs of the CannTrust Group. ***Amended Plan*** The Plan and the Meeting Order provided that the Plan could be amended, restated, modified and/or supplemented at any time prior to the Meetings. Since it was filed originally on April 16, 2021, the Plan has been amended once. The Plan that is being voted on today is the First Amended & Restated Plan dated May 21, 2021, which was attached as Appendix "C" to the Tenth Report and was described therein. The amendments to the Plan included, among others: 1. the additional of certain Additional Settlement Parties; and 2. certain other amendments to reflect input received from stakeholders or for further clarity. ***Other Creditors***

	The treatment of General Unsecured Creditors of CannTrust Holdings Inc. and Elmcliffe Investments Inc. and Securities Claimants under the Plan is detailed in the Plan, the Information Statement and the Tenth Report, each of which is available on the Monitor’s Website. The Plan enumerates a list of Unaffected Claims and contemplates payment on the Plan Implementation Date of certain of these claims. If you have any questions about the treatment of Securities Claimants or other General Unsecured Creditors under the Plan, or the Unaffected Claims, please submit a question during the question period and we will address it.

ALTERNATIVE TO THE PLAN AND THE MONITOR'S RECOMMENDATION:	The CannTrust Plan Companies and the Monitor believe that the CCAA Plan is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern. If the Plan is not approved by the requisite majorities of Affected Creditors pursuant to the CCAA, as detailed below, or is not sanctioned by the Court, the Plan will not be implemented. If the Plan is not implemented, the Monitor believes that the most likely alternative would be a realization of the CannTrust Group's assets, whether within the existing CCAA proceeding, through a proceeding under the Bankruptcy and Insolvency Act, or another statute and the distribution of the net proceeds of such realization to creditors in accordance with their respective priorities after the claim amount of each creditor has been determined. Appendix E to the Tenth Report provides an illustrative analysis of the anticipated recovery to general unsecured creditors following a hypothetical liquidation. As set out in the liquidation analysis, it is estimated that: 1. accepted general unsecured claims filed against CannTrust Holdings Inc. and Elmcliffe Investments Inc. in the amount of approximately

	$1.0 million in aggregate would be paid in full, as they would be under the CCAA Plan; and 2. there would be no recovery available for secured creditors or general unsecured creditors of CannTrust Opco, whereas under the CCAA Plan secured creditors of CannTrust Opco would be paid in full and General Unsecured Creditors would be entitled to receive a distribution from the $900,000 GUC Distribution Pool. The CCAA Plan Companies believe that the Plan fairly balances the interests of all stakeholders. The Monitor believes that the Plan will produce a more favourable result for the General Unsecured Creditors of CannTrust Opco than they would likely receive in a liquidation scenario and represents the best feasible outcome that balances the realities of the situation with the interests of the many stakeholders. The Plan is expected to allow the CannTrust Group to exit the CCAA Proceedings as a going concern, which is expected to benefit its approximately 280 employees, the communities of Fenwick and Vaughan, Ontario in which the Applicants operate, the consumer and medical patients that rely on its products, its suppliers and other service providers.

	The Monitor therefore recommends that General Unsecured Creditors of CannTrust Opco vote in favour of the resolution to approve the Plan.
PRECONDITIONS TO PLAN IMPLEMENTATION	In order for the Plan to be implemented, all of the preconditions to the implementation of the Plan must be met or, where applicable, waived. A summary of all the preconditions to the implementation of the Plan are included in Article 9 of the Plan. Some key conditions to implementation of the Plan include: (i) the Plan must be approved by the Affected Creditors at the Meetings; (ii) the CCAA Sanction Order will have been issued by the CCAA Court; and (iii) the U.S. Approval Order will have been entered in the U.S. Class Action.

PROCEDURE FOR A VOTE:	Before continuing with the business of the meeting, I would like to comment on the voting procedure. The only persons entitled to vote at this meeting are Creditors holding General Unsecured Claims against CannTrust Opco that are Proven Claims or Unresolved General Unsecured Claims against CannTrust Opco, as well as all such parties' respective proxies. For purposes of voting at the Meeting, each Creditor holding a General Unsecured Claim against CannTrust Opco that is a Proven Claim is entitled to one vote with a value equal to the dollar value of such Proven Claim in accordance with the Claims Procedure Order. Votes will be tabulated by reference to the number of Creditors holding General Unsecured Claims against CannTrust Opco, and by reference to the dollar value of the General Unsecured Claim of each General Unsecured Creditor of CannTrust Opco voting in person or by proxy. The Monitor will report separately with respect to the votes of the Creditors with Unresolved General Unsecured Claims against CannTrust Opco. For the purposes of the vote, each Creditor with an Unresolved General Unsecured Claim against CannTrust Opco is entitled to one vote, which vote shall have the value accepted by the Monitor, if any, for voting purposes

	only, in respect of an Unresolved General Unsecured Claim against CannTrust Opco. Note that votes cast in respect of such Unresolved General Unsecured Claims against CannTrust Opco shall not be counted in calculation of the required majorities; however, if approval or non-approval of the Plan by the class proves to be determined by the votes cast in respect of Unresolved General Unsecured Claim against CannTrust Opco, the Applicant and the Monitor will request further direction from the Court. In order for the Plan to be approved by the General Unsecured Creditors of CannTrust Opco in accordance with the *Companies' Creditors Arrangement Act*, a majority in number representing a two-thirds majority in dollar value of the class that is present and voting at the Meeting in person or by proxy must vote in favour of the Plan. I would like to open the floor for questions with respect to either the Plan or the voting procedure. You may raise your hand now if you have a question. When you are called upon, please unmute yourself and state your name and the creditor you represent, prior to your question. Alternatively, you can type a question in the conversation tab and the Monitor will read out the question to the meeting. For creditors who have dialed

	in, we will call on you at the end to ask any questions you may have. **[After all the questions have been answered in Teams, if there are people calling in]** Are there any questions from callers? You may now unmute yourself to ask your question.

<table>
<tr>
<td>RESOLUTION FOR VOTE ON PLAN:</td>
<td>

[If there are no questions or once they are complete,]

We will now proceed with voting on a resolution to approve the Plan. For the sake of clarity, the First Amended & Restated Plan of Compromise, Arrangement and Reorganization dated May 21, 2021 is being voted on.

I will now read out the proposed Resolution and then ask that a proxyholder move to approve the Resolution.

BE IT RESOLVED THAT:

1. The First Amended & Restated Plan of Compromise, Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act (Canada) and the Business Corporations Act (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

I ask for a motion to approve the Resolution.

Please indicate your name and the creditor you represent if you will make the motion?

"I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the proxy of Securitas, will make the motion."

Do we have someone to second the Motion?

</td>
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</table>

<table>
<tr><td></td><td>“I Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the proxy of Gay Company, will second the motion”

Does anyone oppose?</td></tr>
<tr><td>PRE-MEETING PROXY AND CONVENIENCE CREDITOR VOTE RESULTS:</td><td>If you are voting today at this Meeting and have submitted a proxy form, the Monitor has record of your vote. If you would like to change the way you voted, you may do so now by submitted a new vote which will be recorded in place of your proxy. If you have not submitted a vote by proxy, you must vote now to have your vote counted towards the resolution.

As permitted by the Meeting Order, a number of Creditors with Voting Claims that are General Unsecured Claims against CannTrust Opco provided proxies which were filed with the Monitor prior to this meeting. As instructed by these Creditors, and as permitted by the Meeting Order, I will vote these proxies as follows:

<table><tr><th></th><th># of Proxies</th><th>$ Value of Proxies</th></tr><tr><td>For:</td><td>55</td><td>$ 866,421.42</td></tr><tr><td>Against:</td><td>4</td><td>$ 131,937.00</td></tr></table></td></tr>
</table>

VOTE:	There are unresolved Claims that have voted by Proxy. I would like to note that there are two creditors, however, as one also has a resolved portion of their claim, they will only have one vote for voting purposes and have already been included in the previous tally, therefore, the unresolved claims are as follows:

	# of Proxies	**$ Value of Proxies**
For:	1	$ 111,098.98
Against:	0	0

We will move to vote on the motion using the Survey that the Monitor will provide on screen.

If you have already submitted a proxy, then you have already submitted your vote and there is nothing further for you to do. However, you may still wish to elect to vote at the meeting, if you so choose.

If you have not submitted a proxy, now is the time to cast your vote in respect of the resolution approving the Plan, which has been put to this meeting, by indicating on the ballot whether the vote is in favour of or against the Resolution approving the Plan.

I will pause for a few minutes to allow you time to vote and for the Scrutineers to determine the results. We ask

	that you stay on the Microsoft Teams call if you wish to hear the results of the vote after the count is completed. I will now ask the Monitor and Scrutineers to include the survey link for each Creditors to access and vote upon. When clicking on the link, please make sure to open the link in a new tab so that you do not exit the meeting. **[<u>Optional</u> - if there are any callers]** If you are calling in and wish to vote verbally, please ensure you state your name, the creditor you represent, and your Creditor Identification Number. [**After pausing for a sufficient time for the Scrutineers to receive the responses and compare them against the proxies that have been filed. Brief Adjournment while votes are tabulated - only if the survey is completed during the meeting by any of the creditors. Otherwise, the pre-meeting calculation of the votes will be presented immediately]** Ladies and gentlemen, we are ready to start again. The Scrutineers has completed their report on voting and will present the results.

REPORT ON VOTE:	I have received the report from the Scrutineers as to the result of the vote on the Resolution to approve the Plan. The following are the results of the votes by Creditors holding Voting Claims: <table><tr><th></th><th>Number</th><th>Value</th><th>%Number</th><th>% Value</th></tr><tr><td>In favour</td><td>58</td><td>$877,287.79</td><td>92.06%</td><td>84.78%</td></tr><tr><td>Against</td><td>5</td><td>$157,483.15</td><td>7.94%</td><td>15.22%</td></tr><tr><td>Total</td><td>63</td><td>$1,034,770.94</td><td>100%</td><td>100%</td></tr></table> The following are the results of the votes by Creditors holding Unresolved General Unsecured Claims: <table><tr><th></th><th>Number</th><th>Value</th><th>%Number</th><th>% Value</th></tr><tr><td>In favour</td><td>1</td><td>$111,098.98</td><td>100%</td><td>100%</td></tr><tr><td>Against</td><td>0</td><td>$0</td><td>0%</td><td>0%</td></tr><tr><td>Total</td><td>1</td><td>$111,098.98</td><td>100%</td><td>100%</td></tr></table> The vote of Unresolved General Unsecured Claims would not appear to affect outcome of the vote but will be reported to the Court at the Sanction Hearing to inform the Court.

	The Motion is carried – the Resolution has been adopted and I declare that the Plan has been duly approved by the class of General Unsecured Creditors of CannTrust Opco.
TERMINATION OF MEETING:	If there is no further business to come before this meeting, may I please now have a motion from the floor to terminate this meeting? **[Alex Morrison]**: *I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of Securitas, move that the meeting be terminated.* "I *Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the proxy of Gay Company*, will second the motion" Thank you. Any opposed to the motion? The motion to terminate the meeting is hereby carried. This concludes the meeting. Thank you for attending.

APPENDIX "J"

SCRUTINEER'S REPORTS ON ATTENDANCE AT THE MEETING OF THE SECURITIES CLAIMANT CLASS

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.

MEETING OF THE SECURITIES CLAIMANTS

MAY 28, 2021
2:00 P.m.

REPORT OF SCRUTINEERS ON ATTENDANCE

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

Method of Voting	Numbers of Claimants Represented	Aggregate Value of Voting Amounts
by proxy	2,377	$509,800,000.00
in person	0	Nil
Totals	2,377	$509,800,000.00

The total number of Claimants represented in person or by proxy at the Meeting was 2,377 Securities Claimants, representing 100% out of a total of 2,377 Securities Claimants for voting purposes. Accordingly, the undersigned scrutineers hereby report that a quorum, consisting of at least one Securities Claimant present in person or by proxy, was present at the Meeting.

DATED the 28th day of May, 2021.

Franca F Mazzulla

Digitally signed by Franca F Mazzulla
DN: cn=Franca F Mazzulla, email=Franca.Mazzulla@parthenon.ey.com
Reason: ok behalf of Alex Morrison
Date: 2021.05.28 15:42:39 -04'00'

Franca Mazzulla

WP538HM

Digitally signed by WP538HM
DN: cn=WP538HM, email=Nick.Hilborn@parthenon.ey.com
Date: 2021.05.28 16:00:03 -04'00'

Nick Hilborn

APPENDIX "K"

SECURITIES CLAIMANT CLASS MINUTES OF THE MEETING

AIRD BERLIS

MEMORANDUM

TO: Ernst & Young Inc.

CC: McCarthy Tétrault LLP

FROM: Aird & Berlis LLP

DATE: May 28, 2021

RE: Minutes of the Meeting of the Securities Claimants held on May 28, 2021, at 2:00 p.m. EST

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

1. Call to order **2:14**

Alex Morrison, Senior Vice President at Ernst & Young Inc., the Court-appointed Monitor for the Applicants, which include CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc., called the meeting to order.

2. Introduction of the head table **2:17**

James Gage and Trevor Courtis of McCarthy Tétrault LLP, counsel to the Applicants

Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor

Greg Guyatt and David Blair, Chief Executive Officer and Chief Financial Officer, respectively, of the CannTrust Plan Companies, were also present at the meeting.

3. Role of the chair and appointment of the secretary **2:17**

Alex Morrison chaired the meeting.

The chair appointed Jonathan Yantzi to act as secretary.

4. Attendance at the meeting **2:18**

Attendance at the meeting was restricted to the CCAA Representatives and CCAA Representative Counsel as defined in the CCAA Representation Order; Securities Claimants and their proxy holders who have elected or were deemed to have elected to opt out of representation by the CCAA Representatives for voting on the Plan and duly filed a proof of claim for voting purposes; representatives of the CannTrust Group, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and the scrutineers.

Certain Securities Claimants requested to be in attendance and were admitted by the chair. As these individuals are represented by the CCAA Representatives and CCAA Representative Counsel, they were not entitled to vote separately.

5. Appointment of scrutineers **2:19**

The chair appointed Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as scrutineers.

6. Scrutineers' report on attendance and quorum **2:20**

Two-thousand three hundred seventy-seven Securities Claimants with Voting Claims that are Securities Claims attended the meeting in person via videoconference or by proxy.

7. Overview of the Plan **2:21**

The chair gave an overview of the Plan.

8. Alternative to the Plan and the Monitor's recommendation **2:30**

The chair elaborated on the Monitor's recommendation that Securities Claimants vote in favour of the resolution to approve the Plan.

9. Preconditions to Plan implementation **2:33**

The chair described key preconditions to the implementation of the Plan.

10. Procedure for a vote **2:34**

The chair explained the voting procedure.

11. Resolution for a vote on the Plan **2:36**

Alex Morrison, as holder of the Proxy of Universal Success Stiftung, made the following motion:

> The First Amended and Restated Plan of Compromise, Arrangement and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

Serge Kalloghlian seconded the motion.

12. Pre-meeting proxy and convenience creditor vote results **2:36**

Proxies were filed with the Monitor on behalf of 2,377 Securities Claimants before the meeting.

As instructed by these Securities Claimants, and as permitted by the Meeting Order, Alex Morrison voted these proxies as follows:

	Number of Proxies	Value of Proxies
For	2,377	$509,800,000.00
Against	0	$0

13. Vote **2:40**

The chair briefly adjourned the meeting to allow time for voting by online survey and for the scrutineers to determine the results. The Securities Claimants were also offered the opportunity to vote verbally.

An attendee asked about the results of the other creditors' meetings. The chair confirmed that the three classes of general unsecured creditors had voted to approve the Plan.

14. Report on the vote **2:47**

The following are the results of the votes by Securities Claimants holding Voting Claims:

	Number	Value	Percentage Number	Percentage Value
For	2,377	$509,800,000.00	100%	100%
Against	0	$0	0%	0%
Total	2,377	$509,800,000.00	100%	100%

The motion was carried, and the resolution was adopted.

The chair declared that the class of Securities Claimants duly approved the Plan.

15. Termination of the meeting **2:48**

Alex Morrison, as holder of the Proxy of Universal Success Stiftung, moved that the meeting be terminated.

Serge Kalloghlian seconded the motion.

There was no opposition to the motion to terminate the meeting, and the motion to terminate the meeting was carried.

MEETING OF SECURITIES CLAIMANTS

CHAIRMAN'S SCRIPT

FRIDAY, MAY 28, 2021

At 2:00 p.m. (Eastern Time)

Microsoft Teams Meeting

TABLE OF CONTENTS

CHAIRMAN'S CALL TO ORDER:	Good morning ladies and gentlemen. My name is Alex Morrison. I am a Senior Vice President at Ernst & Young Inc., the Court appointed Monitor for the CannTrust Group, which includes CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. It is now 2:00 p.m. and I would like to call this meeting to order. This is the meeting of the class of Securities Claimants to vote on the First Amended & Restated Plan of Compromise, Arrangement and Reorganization of the CannTrust Plan Companies dated May 21, 2021, which I will refer to as the “Plan”. The CannTrust Plan Companies consist of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. This meeting has been called pursuant to the meeting order of Mr. Justice Hainey of the Ontario Superior Court of Justice made on April 16, 2021, which I will refer to as the "Meeting Order". This meeting will be conducted in accordance with the terms of the Meeting Order and applicable law. Copies of the Meeting Order and other Securities Claimant Meeting Materials were previously distributed and posted on the Monitor's Website pursuant to the Meeting Order. You can find this

	material under the heading “Creditors’ Meeting”. Any defined terms that I use during the course of this meeting will have the meanings given to them in the Plan, unless I otherwise define them. Before we start, we would like to share some rules for the meeting. Please keep yourself on mute for the meeting so as to not interrupt the presentation. Should you have any questions, you may submit a question on the conversation pane of the screen during the question period and I will ensure that it is addressed. At that time, you may also raise your hand and the Monitor will call on you to ask your question. At the end of today’s meeting, a vote on the Resolution to authorize and approve the Plan will be called. If you experience technical difficulties, please either write a comment in the question box or if you are disconnected, please call the Monitor at 416-932-5348. [**pause**]

INTRODUCTION OF HEAD TABLE:	With me today for this meeting are: James Gage and Trevor Courtis of McCarthy Tetrault LLP, counsel to the CannTrust Plan Companies; Steve Graff and Jonathan Yantzi of Aird & Berlis LLP, counsel to the Monitor. Also present at this meeting are Greg Guyatt, Chief Executive Officer, and David Blair, Chief Financial Officer of the CannTrust Plan Companies.
ROLE OF CHAIR & APPOINTMENT OF SECRETARY:	In accordance with the Meeting Order, I will chair the meeting and I appoint Mr. Yantzi to act as Secretary. As set out in the Meeting Order, all matters relating to the conduct of the meeting are to be determined by the Chair. I will also ask Mr. Yantzi to assist me with procedural matters in connection with the meeting.

ATTENDANCE AT THE MEETING:	Pursuant to the Meeting Order, attendance at this meeting is restricted to the CCAA Representatives and CCAA Representative Counsel as defined in the CCAA Representation Order; Securities Claimants and their proxyholders who have elected or were deemed to have elected to opt out of representation by the CCAA Representatives for the purposes of voting on the Plan and duly filed a proof of claim for voting purposes; representatives of the CannTrust Group, and its legal counsel and advisors; the Monitor and its legal counsel and representatives; and Scrutineers. Also in attendance are certain Securities Claimants that requested to be in attendance and were approved by the Monitor. As these individuals are represented by the CCAA Representatives and CCAA Representative Counsel, they are not entitled to vote separately. All others are not entitled to attend unless admitted to this meeting on invitation by the Chair. Accordingly, if there are any persons not entitled to be present, they should withdraw from the meeting now. If you are unsure, please submit a question in the comments section. **[pause]**

APPOINTMENT OF SCRUTINEERS:	I appoint Franca Mazzulla and Nick Hilborn, representatives of the Monitor, to act as Scrutineers. The Scrutineers will report on the number of Securities Claimants holding Voting Claims represented in person and by proxy at this meeting and the total value of the Voting Claims held by such Securities Claimants. The Scrutineers will compute and report on the ballots cast at this meeting.
ORDER OF BUSINESS:	As outlined in the notice of meeting, the only item of business to be considered today is a resolution to approve the Plan in accordance with the Meeting Order and to transact such other business that may come before the meeting or any adjournment thereof. A copy of the Plan is available on the Monitor's website.

NOTICE OF MEETING:	In accordance with the Meeting Order, the Monitor sent copies of the Securities Claimant Meeting Materials, including the notice of this meeting, and the form of opt out election and proxy, to all Known Securities Claimants, as defined in the CCAA Representation Order. In the case of CCAA Representatives and CCAA Representative Counsel, the Monitor sent additional copies of the form of represented securities voting claim. The Securities Claimant Meeting Materials, as well as the Plan and Meeting Order are also posted on the Monitor's website and notice of this meeting was published in the national edition of *The Globe and Mail* and in *The Wall Street Journal* on April 22, 2021, all in accordance with the Meeting Order.
SCRUTINEERS'S REPORT ON ATTENDANCE AND QUORUM:	Quorum for this meeting is the presence in person or by proxy of one Securities Claimant with a Voting Claim that is a Securities Claim. The Scrutineers' report has been received, showing that attending this meeting in person via videoconference or by proxy are 2,377 Securities Claimants with Voting Claims that are Securities Claims. As a result, I declare that we have a quorum and the meeting is properly constituted for the transaction of today's business.

PURPOSE OF THE MEETING:	As you are aware, the purpose of this meeting is to consider and, if advisable, pass a Resolution approving the Plan.

OVERVIEW OF PLAN:	Prior to an overview of the Plan, I will provide some brief background on the CannTrust Group, its CCAA Proceedings and how we got to where we are today, which is detailed further in various reports that have been filed by the Monitor in the CCAA Proceedings, and are available on the Monitor's Website. Further details of the CannTrust Group's background and financial affairs are provided in the Monitor's Tenth Report dated May 21, 2021, which I will refer to as the Tenth Report. ***Background to CCAA Proceedings*** The CannTrust Group is a licensed producer of cannabis in Canada. The business of the CannTrust Group is focused on two distinct markets: the medical cannabis market and the adult-use recreational cannabis market. Following regulatory audits of its facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws, and its cannabis licences were partially suspended. Subsequently, multiple putative securities class actions and other actions were commenced in Canada and the United States alleging that CannTrust Holdings made misrepresentations in its disclosure to investors related to the findings of the Health Canada Audits, which I will refer to generally

	as the "Actions" going forward. The aggregate damages sought in the Actions is at least $500 million. ***CCAA Proceedings*** The CannTrust Group filed for and received protection under the CCAA on March 31, 2020, and Ernst & Young Inc. was appointed by the Court as Monitor. Since commencing the CCAA Proceedings, the CannTrust Group has completed each of its business restructuring objectives. Among other things: (a) it completed the remainder of its remediation work and the cannabis licences for its Fenwick Facility and Vaughan Facility were reinstated in May and August 2020, respectively; and (b) it resumed production and processing operations at these facilities and returned to the recreational and medical cannabis markets in December 2020 and January 2021, respectively. On May 8, 2020, the CCAA Court issued an order appointing the Honourable Dennis O'Connor, Q.C. as the Court-Appointed Mediator to conduct a mediation process between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of

	the Securities Claims and related claims between the various parties. As a result of the extensive negotiations facilitated by the Court-Appointed Mediator, on January 19, 2021, the CannTrust Group reached an agreement (the Restructuring Support Agreement, or "RSA" for short) 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 regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. On January 29, 2021, the CCAA Court issued an order appointing the representative plaintiffs in the Ontario Class Action and the representative plaintiffs in the U.S. Class Action (who are collectively referred to as the "CCAA Representatives"), along with Ontario Class Action Counsel and U.S. Class Action Counsel (who are collectively referred to as "CCAA Representative Counsel") to represent the interests of Securities Claimants in the CCAA Proceedings, subject to certain limited exceptions. ***Classes of Creditors*** The Meeting Order provides that Affected Creditors are divided into four separate classes for the purposes

	of considering and voting on the Plan. Three classes are comprised of Creditors holding General Unsecured Claims. The fourth class is comprised of Creditors holding Securities Claims. ***Overview of Plan*** The Plan put before you for voting today reflects the settlement framework agreed in the RSA. It contains the following features that are relevant to Securities Claimants: 1) First, a trust will be established for the benefit of Securities Claimants (which is referred to as the "Securities Claimant Trust"). 2) Second, CannTrust Holdings will contribute $50 million to the Securities Claimant Trust. 3) Third, CannTrust Holdings and CannTrust Inc. will assign any claims that they have against any Co-Defendant in the Actions that is not a Settlement Party, and the Settlement Parties will assign any claims that they have against any Insurer that is not a Settlement Party that relate to the Securities-Related Matters. 4) Fourth, the Plan provides that other Co-Defendants in the Actions and Insurers may be added as Additional Settlement Parties and benefit from the releases in the Plan. To date, certain Co-Defendants have been added as

	Additional Settlement Parties and have agreed to make contributions to the Securities Claimant Trust, in the form of cash and assigned claims, that are acceptable to the CCAA Representatives. 5) Fifth, the proceeds in the Securities Claimant Trust will be distributed to Securities Claimants pursuant to an allocation and distribution scheme that is attached to the Plan at Schedule B. 6) Sixth, all Affected Claims, including Securities Claims other than the Channelled Claims and Unaffected Claims, will be fully, finally, irrevocably and forever compromised, released, discharged and barred. Subject to the other terms of the 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. In addition to the release and discharge of Affected Claims, the Plan provides for release

	and discharge of the members of the CannTrust Group and the Monitor and their respective Representatives, including, among other things, any claims relating to the assets, obligations, business or affairs of the CannTrust Group. 7) Finally, the Channelled Claims, which include Insured Securities Claims, Insured Securities-Related Claims and Securities-Related Section 5.1(2) Claims, will be fully, finally, irrevocably and forever enjoined as against the applicable Settlement Parties from the Effective Time. Each Channelled Claim will be channelled to and limited to recovery solely from the Securities Claimant Trust in accordance with the CCAA Plan and the Definitive Documents and, if applicable, from any Person who is not a Released Party. ***Amended Plan*** The Plan and the Meeting Order provided that the Plan could be amended, restated, modified and/or supplemented at any time prior to the Meetings. Since it was filed originally on April 16, 2021, the Plan has been amended once. The Plan that is being voted on today is the First Amended & Restated Plan dated May

	21, 2021, which was attached as Appendix "C" to the Tenth Report and was described therein. The amendments to the Plan included, among others: 1. the additional of certain Additional Settlement Parties as I discussed previously; and 2. certain other amendments to reflect input received from stakeholders or for further clarity. ***General Unsecured Creditors and Unaffected Claims*** The treatment of General Unsecured Creditors under the Plan is detailed in the Plan, the Information Statement and the Tenth Report, each of which is available on the Monitor's Website. The Plan enumerates a list of Unaffected Claims and contemplates payment on the Plan Implementation Date of certain of these claims. If you have any questions about the treatment of Securities Claimants or the General Unsecured Creditors under the Plan, or the Unaffected Claims, please submit a question during the question period and we will address it.

ALTERNATIVE TO THE PLAN AND THE MONITOR'S RECOMMENDATION:	The CannTrust Plan Companies and the Monitor believe that the CCAA Plan is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern. If the Plan is not approved by the requisite majorities of Affected Creditors pursuant to the CCAA, as detailed below, or is not sanctioned by the Court, the Plan will not be implemented. If the Plan is not implemented, the Monitor believes that the most likely alternative would be a realization of the CannTrust Group's assets, whether within the existing CCAA proceeding, through a proceeding under the Bankruptcy and Insolvency Act, or another statute and the distribution of the net proceeds of such realization to creditors in accordance with their respective priorities after the claim amount of each creditor has been determined. Appendix E to the Tenth Report provides an illustrative analysis of the anticipated recovery to creditors following a hypothetical liquidation. The timing and quantum of any distributions to equity claims in a liquidation scenario is uncertain. In a liquidation scenario, without the benefit of the settlement of the Securities Claims, significant funds may be consumed by the ongoing litigation and it could take years before

	any judgments could be obtained and distributions could be made. The CCAA Plan Companies believe that the Plan enables Securities Claimants to receiver a recovery on their claims without the further delay and risk associated with litigations, and fairly balances the interests of all stakeholders. The Monitor believes that the Plan represents the best feasible outcome that balances the realities of the situation with the interests of the many stakeholders. The Monitor therefore recommends that Securities Claimants vote in favour of the resolution to approve the Plan.

PRECONDITIONS TO PLAN IMPLEMENTATION	In order for the Plan to be implemented, all of the preconditions to the implementation of the Plan must be met or, where applicable, waived. A summary of all the preconditions to the implementation of the Plan are included in Article 9 of the Plan. Some key conditions to implementation of the Plan include: (i) the Plan must be approved by the Affected Creditors at the Meetings; (ii) the CCAA Sanction Order will have been issued by the CCAA Court; (iii) the U.S. Approval Order will have been entered in the U.S. Class Action; and (iv) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust.

PROCEDURE FOR A VOTE:	Before continuing with the business of the meeting, I would like to comment on the voting procedure. The only persons entitled to vote at this meeting the CCAA Representatives and Securities Claimants who have duly submitted the out opt election forms with the Monitor and who hold Securities Claims that have been accepted for voting purposes pursuant to the Meeting Order or are Unresolved Securities Voting Claims, as well as all such parties' respective proxies. The CCAA Representatives are entitled to the number of votes equal to the number of the Represented Securities Claimants determined in accordance with the Meeting Order, which votes shall have an aggregate value equal to the value of the Securities Claims held by the Represented Securities Claimants determined in accordance with the Meeting Order. Each Opt Out Securities Claimant with an Opt Out Securities Voting Claim that is a Proven Claim is entitled to one vote in respect of such Opt Out Securities Voting Claim which vote shall have a value equal to the Opt Out Securities Claimant's Proven Claim determined in accordance with the Meeting Order. I would like to open the floor for questions with respect to either the Plan or the voting procedure. You may

	raise your hand now if you have a question. When you are called upon, please unmute yourself and state your name and the creditor you represent, prior to your question. Alternatively you can type a question in the conversation tab and the Monitor will read out the question to the meeting. For creditors who have dialed in, we will call on you at the end to ask any questions you may have. **[After all the questions have been answered in Teams, if there are people calling in]** Are there any questions from callers? You may now unmute yourself to ask your question.

<table>
<tr>
<td>RESOLUTION FOR VOTE ON PLAN:</td>
<td>

[If there are no questions or once they are complete,]

We will now proceed with voting on the resolution to approve the Plan. For the sake of clarity, the First Amended & Restated Plan of Compromise, Arrangement and Reorganization dated May 21, 2021 is being voted on.

I will now read out the proposed Resolution and then ask that a proxyholder move to approve the Resolution.

BE IT RESOLVED THAT:

1. The First Amended & Restated Plan of Compromise, Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act (Canada) and the Business Corporations Act (Ontario) of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated May 21, 2021, is hereby approved and authorized.

I ask for a motion to approve the Resolution.

Please indicate your name and the creditor you represent if you will make the motion?

"I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of Universal Success Stiftung, will make the motion."

Do we have someone to second the Motion?

</td>
</tr>
</table>

<table>
<tr><td></td><td>“I, Serge Kalloghlian, will second the motion”

Does anyone oppose?</td></tr>
<tr><td>PRE-MEETING PROXY AND CONVENIENCE CREDITOR VOTE RESULTS:</td><td>If you are a Securities Claimant who has not opted out of representation by the CCAA Representatives and CCAA Representative Counsel for the purpose of voting, you will not be entitled to vote at the meeting.

If you are voting today at this Meeting and have submitted a proxy form, the Monitor has record of your vote. If you would like to change the way you voted, you may do so now by submitted a new vote which will be recorded in place of your proxy. As instructed by these Securities Claimants, and as permitted by the Meeting Order, I will vote these proxies as follows:

<table>
<tr><th></th><th># of Proxies</th><th>$ Value of Proxies</th></tr>
<tr><td>For:</td><td>2,377</td><td>$509,800,000</td></tr>
<tr><td>Against:</td><td>0</td><td>$0</td></tr>
</table></td></tr>
</table>

VOTE:	We will move to vote on the motion using the Survey that the Monitor will provide on screen. If you have already submitted a proxy, then you have already submitted your vote and there is nothing further for you to do. However, you may still wish to elect to vote at the meeting, if you so choose. I will pause for a few minutes to allow you time to vote and for the Scrutineers to determine the results. We ask that you stay on the Microsoft Teams call if you wish to hear the results of the vote after the count is completed. I will now ask the Monitor and Scrutineers to include the survey link for each Creditors to access and vote upon. When clicking on the link, please make sure to open the link in a new tab so that you do not exit the meeting. **[<u>Optional</u> - if there are any callers]** If you are calling in and wish to vote verbally, please ensure you state your name, the creditor you represent, and your Creditor Identification Number. [**After pausing for a sufficient time for the Scrutineers to receive the responses and compare them against the proxies that have been filed. Brief Adjournment while votes are tabulated - only if the survey is completed during the meeting by any of**

<table>
<tr><td></td><td>the creditors. Otherwise, the pre-meeting calculation of the votes will be presented immediately]

Ladies and gentlemen, we are ready to start again. The Scrutineers has completed their report on voting and will present the results.</td></tr>
<tr><td>REPORT ON VOTE:</td><td>I have received the report from the Scrutineers as to the result of the vote on the Resolution to approve the Plan.

The following are the results of the votes by Securities Claimants holding Voting Claims:

<table>
<tr><th></th><th>Number</th><th>Value</th><th>% Number</th><th>% Value</th></tr>
<tr><td>In favour</td><td>2,377</td><td>$509,800,000</td><td>100%</td><td>100%</td></tr>
<tr><td>Against</td><td>0</td><td>$0</td><td>100%</td><td>100%</td></tr>
<tr><td>Total</td><td>2,377</td><td>$509,800,000</td><td>100%</td><td>100%</td></tr>
</table>

The Motion is carried – the Resolution has been adopted and I declare that the Plan has been duly approved by the class of Securities Claimants.</td></tr>
</table>

TERMINATION OF MEETING:	If there is no further business to come before this meeting, may I please now have a motion from the floor to terminate this meeting? **[Alex Morrison]**: *I, Alex Morrison, Court Appointed Monitor of the Applicants, and holder of the Proxy of Universal Success Stiftung, move that the meeting be terminated.* **[Serge Kalloglian]**: *I*, **[Serge Kalloglian]**, *second this motion.* Thank you. Any opposed to the motion? The motion to terminate the meeting is hereby carried. This concludes the meeting. Thank you for attending.

APPENDIX "L"

AFFIDAVIT OF ALEXANDER MORRISON

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

AFFIDAVIT OF ALEXANDER MORRISON
(sworn June 2, 2021)

I, Alexander Morrison, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Senior Vice President with Ernst & Young Inc. ("**EY**"). On March 31, 2020, this Court made an initial order pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") which, among other things, appointed EY as the monitor of the Applicants (in such capacity, the "**Monitor**"). I have been involved throughout the CCAA proceedings. As such, I have knowledge of the matters hereinafter deposed to.

2. This affidavit is made in support of a motion for, among other things, the approval of the fees and disbursements of the Monitor and its counsel for the period from January 9, 2021, to May 14, 2021 (the "**Fee Period**").

3. The total amount claimed by the Monitor for the Fee Period (exclusive of HST) is $614,200.41, which included fees of $473,699.00 and disbursements of $140,501.41.

4. Attached hereto as **Exhibit "A"** to this affidavit is a schedule summarizing all invoices rendered by the Monitor during the Fee Period, including the fees, disbursements, and total fees charged in each invoice (the "**Accounts**").

5. Attached hereto as **Exhibit “B”** to this affidavit is a schedule summarizing the billed hours of each of the members of EY that rendered services in these CCAA proceedings.

6. The Accounts and summary charts disclose in detail the name of each person who rendered services, the rate charged and the total charges for fees, disbursements and taxes.

7. The hourly billing rates charged in the Accounts are comparable to the hourly rates charged by EY for services rendered in similar proceedings.

8. To the best of my knowledge and given the nature of this proceeding, I believe that the hours and rates in the attached Accounts are reasonable and comparable to other firms in Toronto for work of this nature.

SWORN remotely by Alexander Morrison stated as being located at the City of Toronto in the Province of Ontario, before me at the City of Burlington in the Province of Ontario, on June 2, 2021, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.	))))))	
Jonathan W. V. Yantzi		Alexander Morrison
Commissioner for taking affidavits Jonathan Yantzi	))	**ALEXANDER MORRISON**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ALEXANDER MORRISON

Sworn

this 2nd day of June, 2021

Jonathan W.V. Yantzi

Jonathan Yantzi

A COMMISSIONER, ETC.

Exhibit A - Summary of Ernst & Young Fees
Services Rendered January 9, 2021 to May 14, 2021

	Invoice #	Date	Fee	Expenses	Net	Tax	Total	Period covered
1	CA12C500006248	01-Feb-21	45,207.00	2,370.76	47,577.76	6,185.11	53,762.87	period ending January 22, 2021
2	CA12C500006287	09-Feb-21	41,647.00	2,246.87	43,893.87	5,706.21	49,600.08	period ending February 5, 2021
3	CA12C500006356	25-Feb-21	25,027.50	1,251.38	26,278.88	3,416.25	29,695.13	period ending February 19, 2021
4	CA12C500006407	10-Mar-21	83,212.50	4,160.63	87,373.13	11,358.51	98,731.64	period ending March 5, 2021
4A	CA12C500006408	10-Mar-21	-	53,894.37	53,894.37	7,006.27	60,900.64	Advertising
5	CA12C500006480	26-Mar-21	79,057.00	3,952.85	83,009.85	10,791.28	93,801.13	period ending March 19, 2021
6	CA12C500006540	09-Apr-21	22,950.00	2,676.86	25,626.86	3,331.50	28,958.36	period ending April 2, 2021
7	CA12C500006600	22-Apr-21	56,750.50	2,996.07	59,746.57	7,767.05	67,513.62	period ending April 16, 2021
8	CA12C500006656	30-Apr-21	68,390.00	3,419.50	71,809.50	9,335.24	81,144.74	period ended April 30, 2021
9	CA12C500006723	27-May-21	51,457.50	2,572.88	54,030.38	7,023.95	61,054.33	Period ending May 14, 2021
9A	CA12C500006724	27-May-21	-	60,959.24	60,959.24	7,924.70	68,883.94	Advertising
	Total		**$ 473,699.00**	**$ 140,501.41**	**$ 614,200.41**	**$ 79,846.08**	**$ 694,046.49**	

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF ALEXANDER MORRISON

Sworn before me

this 2nd day of June, 2021

Jonathan W. V. Yantzi

____

Jonathan Yantzi

A COMMISSIONER, ETC.

Exhibit B - Summary of Ernst & Young Fees by Individual
Services Rendered January 9, 2021 to May 14, 2021

			01-Feb-21	09-Feb-21	25-Feb-21
		Hourly Rates	CA12C500006248	CA12C500006287	CA12C500006356
Morrison, Alex	Senior Vice Presidnt / Partner	$ 770.00	21	23.5	9.2
Gallaher, Brendan	Senior Vice Presidnt / Partner	$ 770.00			
Cheung, Brent	Senior Vice Presidnt / Executive Director	$ 650.00			
Zelaya, Mauricio	Senior Vice Presidnt / Executive Director	$ 650.00			
Fung, Karen	Vice President / Senior Manager	$ 585.00	29.2	20.7	18.1
Palmer, Holly	Vice President / Senior Manager	$ 585.00			
Wang, Cecilia	Manager	$ 425.00	26.9	26.6	16.4
Panjwani, Pinang	Manager	$ 410.00			
Omarov, Yelnar	Manager	$ 410.00			
Akhtar, Huzaifa	Manager	$ 425.00			
Nguyen, Eric	Senior	$ 300.00			
Mazzulla, Franca	Para-professional Manager	$ 275.00	1.9	0.5	1.4
	Total Hours		**79**	**71.3**	**45.1**

Exhibit B - Summary of Ernst & Young Fees by Individual
Services Rendered January 9, 2021 to May 14, 2021

		10-Mar-21	26-Mar-21	09-Apr-21	22-Apr-21
		CA12C500006407	CA12C500006480	CA12C500006540	CA12C500006600
Morrison, Alex	Senior Vice Presidnt / Partner	23.5	26	8	22.5
Gallaher, Brendan	Senior Vice Presidnt / Partner	2.1	0.8		
Cheung, Brent	Senior Vice Presidnt / Executive Director	0.8	0.3		
Zelaya, Mauricio	Senior Vice Presidnt / Executive Director				
Fung, Karen	Vice President / Senior Manager	43.6	68	21	49.8
Palmer, Holly	Vice President / Senior Manager				
Wang, Cecilia	Manager	46.5	38	10.6	23.7
Panjwani, Pinang	Manager	15.7	1.5		
Omarov, Yelnar	Manager	27.5	4.1		
Akhtar, Huzaifa	Manager				
Nguyen, Eric	Senior				
Mazzulla, Franca	Para-professional Manager				0.8
	Total Hours	**159.7**	**138.7**	**39.6**	**96.8**

Exhibit B - Summary of Ernst & Young Fees by Individual
Services Rendered January 9, 2021 to May 14, 2021

		30-Apr-21	27-May-21		
		CA12C500006656	CA12C500006723	Total Hours	Total
Morrison, Alex	Senior Vice Presidnt / Partner	23	15	171.7	$ 132,209.00
Gallaher, Brendan	Senior Vice Presidnt / Partner			2.9	$ 2,233.00
Cheung, Brent	Senior Vice Presidnt / Executive Director			1.1	$ 715.00
Zelaya, Mauricio	Senior Vice Presidnt / Executive Director	12	9.5	21.5	$ 13,975.00
Fung, Karen	Vice President / Senior Manager	38	29.8	318.2	$ 186,147.00
Palmer, Holly	Vice President / Senior Manager		0.2	0.2	$ 117.00
Wang, Cecilia	Manager	40.9	31.1	260.7	$ 110,797.50
Panjwani, Pinang	Manager			17.2	$ 7,052.00
Omarov, Yelnar	Manager			31.6	$ 12,956.00
Akhtar, Huzaifa	Manager	4	5.5	9.5	$ 4,037.50
Nguyen, Eric	Senior		2	2.0	$ 600.00
Mazzulla, Franca	Para-professional Manager	5.7	0.1	10.4	$ 2,860.00
	Total Hours	**123.6**	**93.2**	**847.0**	**$ 473,699.00**

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

AFFIDAVIT OF ALEXANDER MORRISON
(sworn June 2, 2021)

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Steven L. Graff (LSO # 31871V)
Tel: (416) 865-7726
Email: sgraff@airdberlis.com

Jonathan Yantzi (LSO # 77533A)
Tel: (416) 865-4733
Email: jyantzi@airdberlis.com

Lawyers for the Monitor, Ernst & Young Inc.

APPENDIX "M"

AFFIDAVIT OF STEVEN GRAFF

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

AFFIDAVIT OF STEVEN GRAFF
(sworn June 2, 2021)

I, Steven Graff, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a partner at Aird & Berlis LLP, and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted and continues to act as of the date of this affidavit as counsel for Ernst & Young Inc. (in such capacity, the "**Monitor**") in its capacity as Monitor to the Applicants.

2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Monitor, detailing its services rendered and disbursements incurred, namely:

    a) an account dated January 31, 2021, in the amount of $33,516.32 in respect of the period from January 4, 2021, to January 31, 2021;

    b) an account dated March 5, 2021, in the amount of $35,300.16 in respect of the period from February 1, 2021, to February 28, 2021;

c) an account dated March 31, 2021, in the amount of $98,078.92 in respect of the period from February 6, 2021, to March 31, 2021; and

d) an account dated April 30, 2021, in the amount of $89,287.97 in respect of the period from April 1, 2021, to April 30, 2021

(collectively, the "**Statements of Account**"). Attached hereto and marked as **Exhibit "A"** to this affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is $569.77.

3. Attached hereto and marked as **Exhibit "B"** to this affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.

4. This affidavit is made in support of a motion to, *inter alia,* approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN remotely by Steven Graff stated as being located at the City of Toronto in the Province of Ontario, before me at the City of Burlington in the Province of Ontario, on June 2, 2021, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Jonathan W. V. Yantzi

Commissioner for taking affidavits

Steven Graff

Steven Graff

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF STEVEN GRAFF

Sworn

this 2nd day of June, 2021

Jonathan W. V. Yantzi

Jonathan Yantzi

A COMMISSIONER, ETC.

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 **F** 416.863.1515
airdberlis.com

Ernst & Young Inc.
c/o CannTrust Inc.
7300 Keele Street,
Second Floor,
Vaughan, ON L4K 1Z9

Attention: Mr. Alex Morrison

Invoice No.: 696365

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 17515/155902
Client No.: 17515
Matter No.: 155902

January 31, 2021

Re: CannTrust Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended Jan 31, 2021

OUR FEE	$29,315.00
HST at 13%	$3,810.95

DISBURSEMENTS

Subject to HST

Photocopies - Local	$183.00	
Binding and Tabs	$24.00	
Deliveries/Parss	$138.46	
Total Disbursements		$345.46
HST at 13%		$44.91
AMOUNT NOW DUE		**$33,516.32**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500   **F** 416.863.1515
airdberlis.com

Ernst & Young Inc.
c/o CannTrust Inc.
7300 Keele Street, Second Floor,
Vaughan, ON L4K 1Z9

Attention: Mr. Alex Morrison

Invoice No.: 700603

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 17515/155902
Client No.: 17515
Matter No.: 155902

March 5, 2021

Re: CannTrust Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended Feb 28, 2021

OUR FEE		$31,030.00
HST at 13%		$4,033.90
DISBURSEMENTS		
Subject to HST		
Photocopies - Local	$81.00	
Deliveries/Parss	$128.08	
Total Disbursements		$209.08
HST at 13%		$27.18
AMOUNT NOW DUE		**$35,300.16**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.
GST / HST Registration # 12184 6539 RT0001
NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.
43762053.2

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 **F** 416.863.1515
airdberlis.com

Ernst & Young Inc.
c/o CannTrust Inc.
7300 Keele Street,
Second Floor,
Vaughan, ON L4K 1Z9

Attention: Mr. Alex Morrison

Invoice No.: 703608

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 17515/155902
Client No.: 17515
Matter No.: 155902

March 31, 2021

Re: CannTrust Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended March 31, 2021

OUR FEE		$86,277.50
HST at 13%		$11,216.08

DISBURSEMENTS
Subject to HST

Binding and Tabs	$40.50	
Photocopies - Local	$325.50	
Deliveries/Parss	$152.00	
Total Disbursements		$518.00
HST at 13%		$67.34
AMOUNT NOW DUE		**$98,078.92**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 **F** 416.863.1515
airdberlis.com

Ernst & Young Inc.
c/o CannTrust Inc.
7300 Keele Street,
Second Floor,
Vaughan, ON L4K 1Z9

Attention: Mr. Alex Morrison

Invoice No.: 705445

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 17515/155902
Client No.: 17515
Matter No.: 155902

April 30, 2021

Re: CannTrust Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended April 30, 2021

OUR FEE		$78,437.50
HST at 13%		$10,196.88
DISBURSEMENTS		
Subject to HST		
Photocopies - Local	$259.50	
Deliveries/Parss	$273.90	
Binding and Tabs	$45.00	
Total Disbursements		$578.40
HST at 13%		$75.19
AMOUNT NOW DUE		**$89,287.97**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

Attached is Exhibit “B”

Referred to in the

AFFIDAVIT OF STEVEN GRAFF

Sworn before me

this 2nd day of June, 2021

Jonathan W. V. Yantzi

Jonathan Yantzi

A COMMISSIONER, ETC.

Lawyer	**Call to Bar**	**Hourly Rate**	**Total Time**	**Value**
Steve Graff	1991	$875.00	164.70	$144,550.00
Jeffrey Merk	2005	$675.00	0.90	$607.50
Jonathan Yantzi	2019	$350.00	224.90	$78,715.00
Clerk/Student	**Call to Bar**	**Hourly Rate**	**Total Time**	**Value**
Patrick Williams	N/A	$225.00	2.00	$450.00
Amelia McLeod	N/A	$295.00	2.50	$737.50

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

AFFIDAVIT OF STEVEN GRAFF
(sworn June 2, 2021)

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Steven L. Graff (LSO # 31871V)
Tel: (416) 865-7726
Email: sgraff@airdberlis.com

Jonathan Yantzi (LSO # 77533A)
Tel: (416) 865-4733
Email: jyantzi@airdberlis.com

Lawyers for the Monitor, Ernst & Young Inc.

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

ELEVENTH REPORT OF THE MONITOR
(June 2, 2021)

AIRD & BERLIS LLP
Barristers and Solicitors
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario M5J 2T9
Tel: 416.863.1500
Fax: 416.865.1515

Steve Graff (LSO # 31871V)
Email: sgraff@airdberlis.com

Jonathan Yantzi (LSO # 77533A)
Email: jyantzi@airdberlis.com

Lawyers for the Monitor, Ernst & Young Inc.