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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

MOTION RECORD
OF THE RESPONDENT, PETER ACETO
(Returnable June 11, 2021)

June 4, 2021

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AND TO: **SERVICE LIST**

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

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AFFIDAVIT OF JONATHAN PREECE
(Sworn June 4, 2021)

I, Jonathan Preece, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer at Crawley MacKewn Brush LLP ("**CMB**"), counsel for Peter Aceto in the within proceedings and, as such, have knowledge of the matters contained in this Affidavit. Where I have relied on information from others, I have stated the source of that information and believe such information to be true.

2. I am advised by Mr. Aceto that he was employed as the Chief Executive Officer of CannTrust Holdings Inc. ("**CannTrust**") from October 1, 2018, until his termination on or about July 25, 2019. A copy of Mr. Aceto's Employment Agreement with CannTrust dated October 1, 2018, is attached hereto and marked as **Exhibit "A"**.

3. A copy of Amended and Restated By-Law No. 1 of CannTrust enacted on May 29, 2017, is attached hereto and marked as **Exhibit "B"**. On June 22, 2020, Mr. Aceto filed a Proof of Claim in accordance with the Claims Procedure Order. A copy of this Proof of Claim is attached hereto and marked as **Exhibit "C"**.

4. On July 24, 2020, the Monitor delivered a Notice of Revision or Disallowance, which disallowed Mr. Aceto's Proof of Claim in its entirety. A copy of the Monitor's Notice of Disallowance is attached hereto and marked as **Exhibit "D"**.

5. On August 17, 2020, Mr. Aceto delivered a Notice of Dispute to the Applicants in response to the Monitor's Notice of Disallowance. A copy of Mr. Aceto's Notice of Dispute is attached hereto and marked as **Exhibit "E"**.

6. On February 19, 2021, the Honourable Frank J.C. Newbould, Q.C. (the "**Claims Officer**") was appointed as Claims Officer pursuant to the Claims Officer Order of Justice Hainey of the same date. A copy of the Claims Officer Order is attached hereto and marked as **Exhibit "F"**.

7. On February 25, 2021, the Claims Officer issued Procedural Order No. 1, a copy of which is attached hereto and marked as **Exhibit "G"**.

8. On March 4, 2021, counsel at CMB delivered a letter and Request for Documents and Particulars to counsel for the Applicants in accordance with Procedural Order No. 1. A copy of this letter and enclosed Request for Documents and Particulars are attached hereto and marked as **Exhibit "H"**.

9. By letter dated March 8, 2021, counsel for Mr. Aceto advised the Claims Officer that Mr. Aceto was thereby withdrawing the claims set out in his Proof of Claim due to the impracticality of fairly adjudicating the issues through such an expedited process. One point of clarification is that the claim for indemnification for legal fees related solely to a defence against a potential regulatory or criminal proceeding as defence fees for the Class Actions would be considered "Equity Claims" under the CCAA Plan, as amended. A copy of this letter dated March 8, 2021, is attached hereto and marked as **Exhibit "I"**.

10. Mr. Aceto had participated in the court ordered mediation throughout and was actively engaged in the mediation when CannTrust initiated the claims adjudication process through the appointment of the Claims Officer on February 19, 2021. He has continued to participate in the mediation with the object of reaching a global settlement. These negotiations were continuing as of the date of this affidavit.

11. Unlike the other settling defendants who were former directors or officers of CannTrust, Mr. Aceto has not sought to settle with the plaintiffs and "channel" his indemnity claims against his insurers through the Litigation Trust. While the ABC Tower led by Allianz Global Risk US Insurance Company has denied coverage to Mr. Aceto based on a theory of rescission (which Mr. Aceto disputes and intends to challenge), the DIC Tower, led by Chubb Insurance Company of Canada ("**Chubb**"), has dropped down and provided coverage.

12. If Mr. Aceto were to attempt to settle with the plaintiffs and similarly "channel" his insurance claim without the consent of the DIC insurers, this would jeopardize his insurance coverage. In particular, it is my understanding that the DIC insurers may claim that Mr. Aceto has

breached his contractual obligation to the DIC insurers to cooperate and obtain consent prior to entering into a settlement. For example, the Chubb policy provides as follows:

> "The INSUREDS shall provide to the INSURER all information, assistance and cooperation which the INSURER may reasonably request, and the INSUREDS shall use diligence and prudence in the investigation, defense, negotiation of settlement and settlement of any CLAIM. In the event of a CLAIM, the INSUREDS shall do nothing that could prejudice the INSURER'S position or its potential or actual rights of recovery with respect to such CLAIM.
>
> The INSURER has no duty to defend any CLAIM and shall not be called upon to assume charge of the investigation, settlement or defense of any CLAIM. However, the INSURER shall have the right, but not the duty, and shall be given the opportunity to fully and effectively associate with the INSUREDS, and shall be consulted in advance, regarding the control, investigation, defense, negotiation of settlement and settlement of any CLAIM that is reasonably likely to be covered in whole or in part by, or that is reasonably likely to cause liability to attach under, this POLICY.
>
> <u>The INSUREDS shall not offer to settle or settle, assume any obligation, admit any liability or stipulate to any judgment with respect to any CLAIM that is reasonably likely to be covered in whole or in part by, or that is reasonably likely to cause liability to attach under, this POLICY without the INSURER'S prior written consent, which shall not be unreasonably withheld or delayed. The INSURER shall not be liable for or as a result of any offer to settle, settlement, assumed obligation, admission of liability or stipulated judgment to which it has not given its prior written consent</u>." [emphasis added]

13. Another difference between Mr. Aceto and certain settling defendants who were former directors and officers – in particular, Eric Paul and the Litwin defendants – is that Mr. Aceto did not sell shares of CannTrust during the relevant time period. In fact, Mr. Aceto and his spouse purchased a total of 28,743 shares of CannTrust on October 9, 2018, and May 15, 2019. and suffered losses along with the plaintiff's' proposed class in respect of those shares. A screenshot of Mr. Aceto's SEDI profile summarizing these transactions is attached hereto and marked as **Exhibit "J"**.

14. The financial contribution of $31 million USD made by the Additional Settlement Parties and referenced in the affidavit of Greg Guyatt sworn on June 2, 2021, is most likely from the profits of the sale of CannTrust shares by Mr. Paul, Mr. Paul's corporations, and the Litwin defendants, which would not be insured losses. The balance of the plaintiffs' claim, although "settled" against these defendants, is still extant as the plaintiffs seek to recover damages for alleged fraud and negligence from the insurers.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on June 4, 2021.	
Commissioner for Taking Affidavits (or as may be)	**JONATHAN PREECE**
MARIA ORILLANEDA	

This is Exhibit "A" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made as of the 1st day of October 2018,

BY AND BETWEEN,

CANNTRUST HOLDINGS INC.,
a company organized and existing under the laws of Ontario,
with its registered office located at 3280 Langstaff Road Building 1,
Vaughan, Ontario, Canada L4K 5B6

(the "**Company**");

- and -

Peter Aceto,
9 Apsley Road, North York, Ont. M5M 2X7

(the "**Employee**").

WHEREAS:

A. The Company wishes to engage the Employee to act as the Chief Executive Officer of the Company and its parent CannTrust Holdings Inc. pursuant to the terms and conditions of this Agreement; and

B. The Employee desires to be engaged by the Company to act as its Chief Executive Officer pursuant to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the Consideration and premises and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the Company and the Employee herby covenant and agree as follows:

"**Board**" means the board of directors of the Company, as constituted from time to time.

"**Change of Control**" means the occurrence of any one or more of the following:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition as a result of which a Person or group of Persons acting jointly or in concert (whether by means of a shareholder agreement or otherwise) or Persons associated or affiliated with any such Person or group within the meaning of the *Canada Business Corporations Act*, other than the Employee and his associates, become the holders of 50% or more of the common shares of the Company (other than solely involving the Company and one or more of its affiliates);

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the property or assets of the Company on a consolidated basis other than a disposition to a CannTrust Entity;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(iv) any Person or Persons acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or any successor Entity (regardless of whether a meeting has been called to elect directors) (a "**Significant Interest**"); provided, however, that an Acquiror who owns or controls a Significant Interest as at the date of this Agreement shall not trigger a Change of Control;

(v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board of Directors; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred.

For the purposes of the foregoing subparagraph (iv), "**Voting Securities**" means common shares and any other shares entitled to vote for the election of directors of the Company and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors of the Company but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Company including any options or rights to purchase such shares or securities ("**Other Securities**"), but only Other Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right vote or in respect of which the Acquiror has the right to direct the voting shall be considered outstanding Voting Securities.

"**Good Reason**" means the occurrence of any of the following without the Employee's written consent only if the Employee has provided written notice of such occurrence to the Company immediately upon the occurrence of such an event and the Company has not corrected such occurrence within 30 days following receipt of written notice:

(i) a materially adverse change in the Employee's position, duties or responsibilities;

(ii) a reduction by the Company of the Salary, except:

(A) as part of a general reduction in the salary of all or substantially all of the officers of the Company which affects the Employee in substantially the same manner as the other officers who are also affected by such general reduction; or

(B) which does not constitute more than ten (10) percent of his Salary;

(iii) the taking of any action by the Company that would materially adversely affect the Employee's participation in or materially reduce the benefit plans in which the

Employee is participating, except in any such case as part of a general reduction in benefits of all or substantially all of the officers of the Company that affects the Employee in substantially the same manner as the other officers who are also affected by such reduction; or

(iv) any requirement by the Company that the Employee's principal office be relocated to a location outside of a 50km radius from the Company or a CannTrust Entity.

"Permanent Disability" means a mental or physical state whereby the Employee:

i. is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill the Employee's obligations as an executive or officer of the Company for a cumulative period of nine (9) months out of twelve (12) consecutive calendar months; or

ii. is declared by a Court of competent jurisdiction to be mentally incompetent or incapable of managing his/her affairs.

"**Person**" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other organization, entity or governmental entity, and pronouns have a similarly extended meaning.

"**CannTrust Entities**" means, collectively, the Company and each Subsidiary of the Company.

"**Subsidiary**" has the meaning ascribed thereto in section 2(5) of the *Canada Business Corporations Act*.

"**Termination Date**" means the date on which the Employee's active employment terminates, notwithstanding any applicable notice or severance period, whether required by statute or common law.

1. EMPLOYMENT

1.1 The Company shall employ and the Employee agrees to be employed as Chief Executive Officer of the Company and CannTrust Holdings Inc. and will accomplish those duties of employment as listed in Appendix A, attached hereto and incorporated herein, and such other duties that may be assigned to him from time to time by the Board, to whom he shall report.

1.2 Until agreed otherwise with the Company, the Employee's place of work will be primarily at the Company's office in Vaughan, Ontario. The Employee will be required to travel within Canada, the and internationally for the performance of the Employee's duties.

2. DATE OF COMMENCEMENT

2.1 The Employee's employment with the Company commenced on October 1, 2018 and will continue until terminated in accordance with the paragraph entitled "Termination of Employment" below.

2.2 The Employee's period of continuous employment likewise commenced on October 1, 2018. This does not include any period of service with a previous employer.

3. PERFORMANCE AND DUTIES/RESPONSIBILITIES OF THE EMPLOYEE

3.1 The Company shall employ the Employee, and the Employee shall serve the Company, as an officer of the Company in the position of Chief Executive Officer, all in accordance with the terms and conditions of this Agreement. In such position, the Employee shall report directly to the Board of Directors of the Company and CannTrust Holdings Inc. and shall perform or fulfill such duties and responsibilities as the Board of Directors may designate from time to time, including those duties of responsibilities customarily performance by a person holding the same or equivalent position in entities of similar size to the Company, engaged in a business similar to the Company.

3.2 During the term of this Agreement, the Employee shall faithfully, honestly and diligently serve the Company and CannTrust Holdings Inc. and shall carry out such tasks as the Board of Directors may from time to time reasonably request. The Company may change the Employee's responsibilities and status, provided that such change or series of changes would not constitute Good Reason. The Employee shall devote the whole of his time to the Employee's responsibilities and shall use his best efforts to promote the interests of the Company. The Employee shall observe and follow the policies and procedures established by the Corporation, which are subject to change by the Company from time to time at the Company's sole discretion.

4. REMUNERATION

Employee's compensation and any and all other rights of Employee under this Agreement are included in the following compensation package (the "**Compensation Package**"). This Compensation Package shall contain certain financial terms outlined in Schedule A and conditions subject to Article 4 and 5 herein.

4.1 *Basic Compensation.* The Company agrees to pay the Employee an annual salary (the "**Salary**"), as set forth in Schedule A, which will thereafter be reviewed annually and may be increased at the sole discretion of the board of Directors. The Salary is subject to statutory deductions, to be pro-rated in his first year of employment and paid in instalments in accordance with the Company's normal payroll practice and on the Company's regularly scheduled pay days.

4.2 *Bonus.* The Employee shall be eligible to receive the Bonus and on such terms and conditions as the Board of Directors in its sole discretion may determine from time to time, based upon such factors as the Board of Directors in its sole discretion determines are relevant. The Annual Bonus is subject to the terms and conditions of any applicable bonus plan, as such plan is enacted, and as may be amended by the Company at its sole discretion from time to time.

4.3 *Long-Term Incentive Plan.* The Employee shall be entitled to participate in and to receive all rights and benefits under the Stock Option Plan maintained by CannTrust Holdings Inc. and other equity compensation plans as the same may be constituted from time to time, together with such other plan or plans as may be implemented by the Company during the term of this Agreement, provided that such participation shall be in accordance with and subject to all applicable terms and conditions of such plans.

5. BENEFITS

5.1 *Benefits.* The Employee will be eligible to participate in the Company's further benefits of employment such as health, medical, vision, dental, disability and life insurance benefits and any other fringe benefit programs that the Company maintains from time to time for the benefit of its officers, effective on the date of commencement of employment. Should the Company not yet have a group-insured or other employee benefit plan established, the Employee will be reimbursed for out-of-pocket expenses associated with maintaining such coverage until the Company establishes any such benefits plan.

5.2 *Vacation*. As part of his basic compensation outlined in Section 0, the Employee is entitled to five (5) weeks of paid vacation per year, to be pro-rated in his first year of employment.

5.3 *Travel Plan*. The Employee may travel in Business Class for flights over six hours.

5.4 *D&O Insurance*. The Company covenants that it shall, at all times, maintain adequate directors and officers liability insurance for the protection of its officers and directors (including the Employee). Further, such insurance shall be maintained for at least six years following the termination of the Employee's employment under this Agreement.

6. TERMINATION OF EMPLOYMENT

6.1 The Employee's contract of employment is terminable by the Employee on giving the Company 90 days' prior written notice of resignation. It is understood and agreed that the Company shall be entitled to waive all or part of that notice and accept the Employee's resignation at an earlier effective date. The Employee will only be paid any accrued and outstanding Salary to the Termination Date and any expenses incurred on or before the Termination Date; the Employee will not be entitled to any further bonus payments and any unvested LTIP grants will cease to vest and will immediately expire on the Termination Date.

6.2 All employees are required to obtain a RCMP Clearance Check, with the original copy of approval to be kept in the employment file at CannTrust Inc. In the event that the employee does not pass RCMP Clearance, the employment offer will be revoked immediately. And in the event that the RCMP clearance is revoked at any time, CannTrust Inc. has the right to terminate employment immediately with no requirements for severance. Furthermore, the Company reserves the right to terminate the Employee's contract without notice, or pay in lieu of notice, if it has reasonable grounds to believe the Employee is guilty of misconduct, negligence or in material breach of one of the terms of the Employee's employment or in any other instance which would constitute cause at law. The Employee will only be paid any accrued and outstanding Salary to the Termination Date; he will not be entitled to any further bonus payments and any outstanding LTIP grants will cease to vest and will immediately expire on the Termination Date. The failure by the Company to rely on this subparagraph in any given instance or instances shall not constitute a precedent or be deemed a waiver.

6.3 The Company may terminate the Employee's employment at its sole discretion for any reason, without cause, upon providing the Employee with:

(1) an amount equal to twelve (12) months salary and pro rated target bonus (as defined in schedule A) for the year of termination if the employee is employed less then twelve (12) months

(2) an amount equal to twenty-four (24) months' salary and pro rated target bonus (as defined in schedule A) for the year of termination, if the Employee has been employed twelve (12) months or more

In each case, the Company will continue your participation in the Company's health insurance plans for the applicable period set out in subparagraphs (i), (ii) and (iii) above, subject to any restrictions or limitations imposed by the Company's group insurer or scheme provider. This termination provision includes any entitlement the Employee may have to reasonable notice at common law, as well as notice of termination and severance pay under the *Employment Standards Act* (Ontario) (the "**ESA**"). Any outstanding LTIP grants will vest in accordance with the terms of the Stock Option Plan.

6.4 The Employee agrees that the Company may, instead of providing the notice described in the preceding subparagraph, make a payment or payments in lieu of such notice. Such payment may be provided in instalments in accordance with the Company's usual payroll practices for that period of notice which the Company is required to give under the preceding subparagraph. The decision to provide actual notice or pay in lieu, or any combination thereof, shall be in the sole discretion of the Company. Any such payment or payments shall be based on the Employee's then-current Salary and shall include the value of any bonus which would have accrued to the Employee, based on performance (as defined in schedule A), had the Employee been employed until the expiry of the Employee's notice entitlement hereunder, subject only to any requirement of the ESA.

6.5 In lieu of and not in addition to the termination payments and benefits provided for in subparagraphs 6.3 above, if within twelve (12) months following a Change of Control (i) the Employee's employment with the Company is terminated without Cause, or (ii) the Employee terminates the Employee's employment for Good Reason, then the Company shall:

(i) pay to the Employee (A) any accrued but unpaid Salary for services rendered to the Termination Date, (B) any expenses incurred on or before the Termination Date, (C) any vacation that is accrued but unused at the Termination Date, and (D) a lump sum amount equivalent to twenty-four (24) months of the Employee's then-current salary plus 3-year Average Actual Bonus];

(ii) continue any group-insured or other similar employee benefit scheme established by the Company for twenty-four (24) months after the Termination Date, subject to any restrictions or limitations imposed by the Company's group insurer or scheme provider; and

(iii) make all unvested LTIP granted to the Employee vested and exercisable on the Termination Date in accordance with the terms of the Stock Option Plan.

In the event of a termination in accordance with this subparagraph 6.5, the terms of this subparagraph shall be in full satisfaction of any and all of the Employee's entitlements upon such termination and the Company shall have no further obligation to the Employee.

6.6 This agreement shall automatically terminate upon the death of the Employee in which case the Employee's estate shall have no claim against the Company for damages or otherwise arising out of or in respect of this Agreement or the Employee's employment with the Company except for payment of the amounts set out in Section 6.1, in addition to vesting of units granted and prorated bonus(as defined in schedule A) up to date of death.

6.7 In the event that the Employee suffers a Permanent Disability, the employment of the Employee may be terminated by the Company upon sixty (60) days' notice to the Employee; except that if the termination of the Employee's employment would impair the Employee's ability to receive long-term disability benefits in whole or in part, the Employee shall, in lieu of termination, be placed on an unpaid leave of absence, it being understood, however, that the Employee shall not be entitled to re-employment by the Company after such leave of absence or when the Employee ceases to be in receipt of such benefits. The Employee agrees that if the Company is forced to terminate the Employee for Permanent Disability, this Agreement will have been frustrated, and in any event the Employee agrees that accommodating a Permanent Disability would impose an undue hardship upon the Company. In the case of a Permanent Disability, the Company agrees to payment of the amounts set out in Section 6.1., in addition to vesting of units granted and prorated bonus (as defined in schedule A) up to date of permanent disability.

6.8 On termination of the Employee's employment, the Employee must immediately return to the Company in accordance with its instructions all equipment, correspondence, records, specifications, software, disks, models, notes, reports and other documents and any copies thereof and any other property belonging to the Company, including but not limited to keys, credit cards, equipment and passes, which are in the Employee's possession or under the Employee's control. The Employee must, if so required by the Company, confirm in writing that the Employee has complied with the Employee's obligations under this subparagraph.

7. SOLE ENTITLEMENT

Notice provided and/or payments made by the Company under this Agreement are deemed to be in lieu of any other entitlements to notice, severance, damages, or other similar benefits which may be available to the Employee under the Company's policies or applicable law in the event that the Employee's employment is terminated by the Company and shall be the sole entitlements of the Employee upon termination.

8. CONFIDENTIALITY AND TRADE SECRETS

8.1 *Confidential Information.* The Employee acknowledges that in the course of performing his duties or by reason of his position, he will become privy to information and material relating to the Company, its business, clients and employees, either oral, written or in any other form, which is highly confidential (the "**Confidential Information**").

8.2 *Prohibitions Against Unauthorized Use.* Other than in connection with the Employee's employment with the Company, the Employee shall not, during the term of his employment or at any time thereafter, use, divulge, diffuse, sell, transfer, give, circulate or otherwise distribute any Confidential Information or trade secret to any person except to a person clearly authorized by the Company to receive such Confidential Information or trade secret. The Employee shall use reasonable and prudent care to safeguard and protect the Confidential Information and trade secrets and to prevent the unauthorized use and disclosure of the Confidential Information and trade secrets.

8.3 *Ownership of Confidential Information and Trade Secrets.* All Confidential Information and trade secrets or other property owned by the Company in the Employee's possession, custody or control, including without limitation, all documents, reports, manuals, business plans, minutes, memoranda, computer software, computer databases, computer print-outs, member of customer lists, credit cards, keys, identification, products, access cards, and all other tangible or intangible property relating in any way to the business of the Company are and shall remain the exclusive property of the Company, notwithstanding that the Employee may have authorized, created or assisted in the creation of such property. The Employee shall return to the Company all such Confidential Information and other property owned by the Company immediately upon termination of employment for any reason whatsoever or as such earlier time as the Company may reasonably request.

For greater certainty and without limiting the generality of the preceding paragraph, any document or work composed, assembled or produced by the Employee containing Confidential Information becomes the property of the Company and is governed by this Article 8.

9. NON-COMPETITION AND NON-SOLICITATION

9.1 The Employee will not, without the prior written consent of the Company, at any time during his employment under this Agreement or at any time for a period of twenty-four (24) months following the termination of the Employee's employment under this Agreement for whatever reason and with or without Cause, and with or without Good Reason, either individually, or in partnership, or jointly, or in conjunction with any Person as principal, agent, employee or shareholder (other than a holding of shares listed on a Canadian or United States stock exchange that does not exceed 5% of the outstanding shares so listed) or in any other manner whatsoever on his own behalf or on behalf of any Person entice, solicit or endeavour to entice or solicit, other than by means of a general advertisement not directed at any particular employee, any Company Employee away from employment with the Company and any of the CannTrust Entities, whether or not such Person would commit a breach of contract by reason of leaving such service.

9.2 The Employee hereby agrees that the Employee will not during the Employee's employment and for a period of twenty-four (24) months immediately following the Termination Date, whether on the Employee's own behalf or in conjunction with or on behalf of any other person, firm, company, corporation, or other organisation or entity (and whether as an employee, director, principal, agent, consultant or in any other capacity), directly or indirectly solicit or assist in soliciting, any Client or Prospective Client with a view to supplying, or offering to supply, products or services that are the same or similar to those offered by the Company.

9.3 The Employee will not, within a 50km radius of the Company or any of the CannTrust Entities, without the prior written consent of the Company, at any time for a period of twenty-four (24) months following the termination of the Employee's employment under this Agreement for whatever reason and with or without Cause, and with or without Good Reason, directly or indirectly be employed by or otherwise provide services to any (i) Person in which the Company previously had a material direct or indirect ownership interest or (ii) any Person that has a direct or indirect material ownership interest in assets previously directly or indirectly owned by the Company or any of the CannTrust Entities while the Employee was employed hereunder.

9.4 This paragraph entitled "Non-Competition and Non-Solicitation" will also apply as though references to each CannTrust Entity were substituted for references to the Company. This paragraph and each subparagraph will, with respect to each CannTrust Entity, constitute a separate and distinct covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of the Company or any other CannTrust Entity. The provisions of this subparagraph shall only apply in respect of those CannTrust Entities: (a) to whom the Employee has provided the Employee's services, (b) for whom the Employee has been responsible, or (c) with whom the Employee has otherwise been concerned; in the twenty-four (24) months immediately preceding the Termination Date.

10. INDEMNITY

10.1 To the extent that it is lawfully able to do so and, subject to the requirements of the Business Corporations Act (Ontario), the Company shall indemnify the Executive and his heirs, and legal representatives against all costs, charges and expenses (including any amounts paid to settle any actions or satisfy any judgement) reasonably incurred by the Employee in respect of any civil, criminal or administrative action or proceeding to which he has been made a party by reason of being or having been an employee, director, or officer of the Company if:

a) the Employee acted honestly and in good faith with the view to the best interests of the Company; and

b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Employee had reasonable grounds for believing that his conduct was lawful.

11. GENERAL PROVISIONS

11.1 *Entire Agreement.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

11.2 *Binding Agreement.* The terms of this Agreement shall bind the parties and their respective successors, heirs and permitted assigns.

11.3 *Applicable Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, without reference to its conflict of law provisions, and the laws of Canada applicable therein. All disputes arising under this Agreement will be referred to the courts of the Province of Ontario which will have jurisdiction, and each party hereto irrevocably submits to the jurisdiction of such courts.

11.4 *Severability.* If any term or provision of this Agreement or the application thereof shall be invalid or unenforceable, such term or provision shall be severed from this Agreement and the remainder of this Agreement shall be unaffected thereby and each remaining term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. The parties shall thereafter use their best efforts to negotiate enforceable provisions to replace the severed terms and conditions.

11.5 *Waiver.* No provision of this Agreement may be waived except in a written document signed by the party granting such waiver.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

CANNTRUST INC.

Eric Paul
Chief Executive Officer

Witness
(not Employee's spouse)

Peter Aceto

APPENDIX A

CEO Job Description

Who We Are

CannTrust™ is a leading provider of pharmaceutical grade medical cannabis. At CannTrust, we are committed to research and innovation, as well as contributing to the growing body of evidence-based research regarding the use and efficacy of *Cannabis*.

We have a lightning fast paced, dynamic and fun environment, where our Team is serious about being a global leader in the cannabis industry. Founded in 2014, we are a publicly traded ("TRST" on the Toronto Stock Exchange) and federally regulated licensed producer of cannabis with locations in Vaughan and Niagara. This quite possibly is the best company to work for in the world!

Who You Are

The ideal candidate is an agile, proven business leader who is committed to continuous improvement. You are a passionate influencer with exceptional communication skills, experienced in directing and developing executive teams. You are customer-centric and tenacious about service, quality, delivery and cost. Of course, you also deliver consistent results by aligning yourself with CannTrust values.

Roles & Responsibilities

As the new **Chief Executive Officer (CEO)** you will be the face of CannTrust reporting to the Board of Directors. The CEO will provide vision, strategic direction and inspired leadership to the executive team, charting a course of continued success for the business.

Key responsibilities include: establishing and managing a long-term financial and operational plan to help the business fulfill its mission and achieve its short- and long-term business objectives, cultivating opportunistic partnerships and acquisitions while sustaining strong public confidence.

The ideal candidate for this CEO position will possess: a post-graduate degree and a minimum of 15 years of progressive work experience involving strategic direction of cross-functional operational teams, management best practices and effective corporate governance; strong leadership development and analytical skills and demonstrated problem-solving abilities; excellent written and verbal communication skills and well-developed public speaking skills.

People Leader

- Holds others and self accountable to gaps in performance, is a champion of feedback
- Acts with integrity: Demonstrates responsible, ethical and honest behavior while consistently leading by example; models the CannTrust values
- Motivates team to take timely action, resolves customer escalations in a timely manner
- Monitors progress of company strategy
- Sets organizational strategy and supports executive team with achieving results and development plans

- Encourages team to be involved in decisions, fosters talent development
- Strong communication skills, ability to promote learning and development; adapt with providing candid performance feedback
- Complies with all company policies

Physical Demands

- While performing the responsibilities of the job, the employee is required to be able to lift up to and including 50lbs, sit and/or stand for extended periods of time and reach with arms/hands. Walking, standing, bending, stooping, reaching, twisting, lifting, pushing, pulling and moving items is occasionally required.

Work Environment

- While performing the duties of this job, the employee is exposed to packaged cannabis products/supplies. The working environment can be noisy at times and temperate, the employee must have knowledge of how to manage their own personal safety under these conditions.

CannTrust is an equal opportunity employer. We thank you for your interest in employment opportunities at CannTrust. Please note, only the candidates who are selected for an interview will be contacted. CannTrust welcomes and encourages applications from people with disabilities. Accommodations are available on request for candidates taking part in all aspects of the selection process.

Schedule A

The following schedule outlines the compensation opportunities for the employee as defined in Article 4 of the Agreement. This schedule forms part of the entire Agreement.

<table>
<tr><th colspan="2">Employment Agreement Compensation Terms for the CEO</th></tr>
<tr><td>4.1 Basic Compensation ("Salary")</td><td>CDN$350,000 <<I'd like to discuss deferral of 1st year salary in exchange for shares>> not possible.
▪ To be pro-rated in his first year of employment</td></tr>
<tr><td>4.2 Bonus</td><td>Target = 60% of Salary</td></tr>
<tr><td rowspan="2">4.3 Long-Term Incentive Plan</td><td>Whereas the Employee's Option grant is 1,000,000 options of the Option pool and is subject to vesting conditions as defined herein and illustrated in Schedule B.
Whereas the Employee will not be eligible for additional Long-Term Incentive Plan grants until 2022 or as determined by the Board of Directors from time to time.
Grant #1: Time Vested
▪ 333,333 options granted. Options vest annually in one third (1/3) increments on the first, second and third anniversaries from grant date with no performance metrics.
  ▪ Issued at the Toronto Stock Exchange "TSX" closing price that is applicable to the company's next option granting date, based on your date of hire.
▪ Term to Expiry: 7 years</td></tr>
<tr><td>Grant #2: Performance Vested
▪ 666,667 options
  ▪ Issued at the Toronto Stock Exchange "TSX" closing price that is applicable to the company's next option granting date, based on your date of hire.
▪ Vest annually in one third (1/3) increments, subject to Performance, as defined below, based on the company fiscal year end for the second and third vesting period.
▪ Performance: Is subject to 2 criteria, as defined by 1. Absolute Share Price and 2. Time. These are defined below:
    o Achieving the following 90-day VWAP share prices as approved by the Board.
      ▪ 1/3rd vest at $15.00/sh with 90-day VWAP on the first fiscal year end anniversary from date of hire (i.e. December 31, 2019).
  ▪ 1/3rd vest $20.00/sh with 90-day VWAP on the second fiscal year end anniversary from date of hire (i.e. December 31, 2020).</td></tr>
</table>

	▪ 1/3rd vest $25.00/sh with 90-day VWAP on the third fiscal year end anniversary from date of hire (i.e. December 31, 2021). ▪ Any interim year performance (i.e. 2019 and 2020) that is not achieved, is eligible for vesting provided that the 2021 share price target is met. ▪ All stock will be fully vested after 7 years. Term to Expiry: 7 years
5.2 Vacation	Vacation entitlement is five (5) weeks' annually; pro-rated based on start date
6.2 RCMP Clearance Check	All employees are required to obtain a RCMP Clearance Check, with the original copy of the approval to be kept in the employment file at CannTrust Inc. In the event that the employee does not pass RCMP Clearance, the employment offer will be revoked immediately. And in the event that the RCMP clearance is revoked at any time, CannTrust Inc. has the right to terminate employment immediately with no requirements for severance

Schedule B

The following schedule outlines the Long-Term Incentive vesting schedule for the employee as defined in Article 4 and Schedule A of the Agreement. This schedule forms part of the entire Agreement

Stock Option Schedule	
Total Optons Granted	1,000,000.00
Term to Expiry	7 years

	Grant # of Options Granted October 2018 (1) (2)	October		
		2019	2020	2021
Grant #1: Number of Options subject to Time Vesting	333,333	111,111	111,111	111,111
	Grant # of Options Granted October 2018 (1) (2)	December		
		2019	2020	2021
Grant #2: Number of Options subject to Performance Vesting (3)	666,667	222,222	222,222	222,223
Performance: Share Price (90 day VWAP) & Balance Sheet within 5% of Budget	*	Price 1 TBD	Price 2 TBD	Price 3 TBD

(1) Table assumes the CEO start date and option grant date occur in October

(2) Strike price will be set as per the terms of CannTrust's Option Plan

(3) Any interim year performance (i.e. 2019 and 2020) that is not achieved, is eligible for vesting provided that the 2021 share price target is met.

This is Exhibit "B" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

<u>AMENDED AND RESTATED BY-LAW NO. 1</u>

a by-law relating generally to the
conduct of the business and affairs of

CANNTRUST HOLDINGS INC.

(hereinafter called the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

I. INTERPRETATION

1.01 In this by-law, unless the context otherwise clearly requires:

(a) "Act" means the *Business Corporations Act* (Ontario) and includes the Regulations made pursuant thereto, as amended from time to time;

(b) "Articles" means the Articles of Incorporation of the Corporation as then in force;

(c) "board" means the board of directors of the Corporation, or if there shall only be one director of the Corporation at any particular time, such director, and all references herein to the directors or the board means the directors of the Corporation acting as such or any duly empowered committee of the board;

(d) "by-laws" means all by-laws, including special by-laws, of the Corporation as amended from time to time;

(e) "Corporation" means this Corporation;

(f) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation and a natural person in his capacity as trustee, executor, administrator or other legal representative.

1.02 In this by-law where the context permits words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

1.03 All words and terms appearing in this by-law which are defined by the Act as having a particular meaning shall be deemed to have the same meanings they are respectively thereby defined as having, unless the context otherwise reasonably requires.

II. DIRECTORS

2.01 <u>Place of Meetings.</u> Meetings of the board may be held at the place where the registered office of the Corporation is then located, or at any place within Metropolitan Toronto; and may be held at any other place within or outside of Ontario with the written consent of all of the directors for the time being of the Corporation. Subject to the foregoing, a majority of the meetings of the board held in any financial year of the Corporation need not be held at places within Canada.

2.02 Calling of Meetings. Meetings of the board may be called for the transaction of any business by the Chairman, the President or a Vice-President who is a director, or any two directors, and the Secretary shall by written notice call meetings when directed or authorized by the Chairman, the President, any Vice-President who is a director, or any two directors. Written notice of the time and place for the holding of every meeting of the board specifying the general nature of the business to be transacted at the meeting shall be sent to every director of the Corporation not less than 48 hours (excluding Sundays and holidays) before the time when the meeting is to be held and need not be given on any longer notice. A director may in any manner and at any time waive a notice of or otherwise consent to a meeting of the board and, subject to the Act, attendance of a director at a meeting of the board is a waiver of notice of the meeting.

2.03 Regular Meetings. The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

2.04 Chairman. The chairman of any meeting of the board shall be the first-mentioned of such of the following officers as has then been appointed and who is then a director and is present at the meeting.

Chairman of the Board
President
A Vice-President who is then a director, if there shall be not more than one Vice-President who is a director, and
the most senior of those Vice-Presidents who are then directors, if more than one Vice-President is a director

and if no such officer is present, the directors present shall choose one of their number to act as the chairman of the meeting.

2.05 Votes to Govern. At all meetings of the board, every question shall be decided by a majority of the votes cast on the question, and in the case of an equality of votes on any question at a meeting of the board, the chairman of the meeting shall not be entitled to a second or casting vote.

2.06 Remuneration. Any remuneration of the directors fixed by the board shall, in the absence of a provision to the contrary set forth in the resolution of the board fixing the same, be in addition to any salary or professional fees payable to a director who serves the Corporation in any other capacity. In addition, the directors shall be paid such sums as the board may from time to time determine in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties.

2.07 Quorum At Meetings. The quorum at a meeting of the directors shall be as provided for in the Act.

2.08 Electronic or Telephonic Attendance. Subject to the Act, a director may attend a board meeting entirely by means of a telephonic, electronic or other communication facility permitting adequate communication among participants at the meeting.

2.09 Limitation of Liability. No director or officer of the Corporation shall be liable as such for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error in judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

2.10 Indemnity of Directors and Officers. Except as provided in the Act, every director and officer of the Corporation, every former director and officer of the Corporation, and every person who acts or acted at the Corporation's request as a director or officer of another corporation of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, shall at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of or having been a director or officer of the Corporation or such other corporation if, (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

2.11 Insurance. The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 2.10 against any liability incurred by such person

(a) in the person's capacity as a director or officer of the Corporation; or

(b) in the person's capacity as a director or officer, or similar capacity, of another entity, if the person acts or acted in that capacity at the request of the Corporation.

III. OFFICERS

3.01 Term. Remuneration or Removal. The terms of employment and remuneration of all officers of the Corporation shall be determined from time to time by resolution of the board or designated committee thereof. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration. All officers shall be subject to removal by resolution of the board at any time with or without cause.

3.02 Officers. Nothing contained in this section 3 shall be in limitation of the powers conferred upon the board by the Act to designate the offices of the Corporation, appoint officers, specify their duties and delegate them powers to manage the business and affairs of the Corporation. In the absence of any provision to the contrary contained in any resolution of the board, the persons appointed to the following respective offices shall have the following respective duties and powers, but, for certainty, the board may from time to time vary, add to, withhold, or limit the powers and duties of any officer or officers:

(a) Chairman of the Board - the Chairman of the Board, if one shall be appointed, shall be a director of the Corporation. The Chairman of the Board shall preside at each meeting of the board at which he is present and shall preside as Chairman of each meeting of the shareholders at which he is present. Unless his power as chief executive officer of the Corporation shall have been withheld by the board, the Chairman of the Board shall be the chief executive officer of the Corporation and as such shall be charged, subject to the authority of the board, with the general supervision of the business and affairs of the Corporation.

(b) President - the board shall at all times have elected or appointed a President. The President need not be a director of the Corporation. As such, subject to the supervision, control and direction of the Chairman of the Board, so long as one shall have been elected and his authority as the chief executive officer of the Corporation shall not have been withheld, and subject to the authority of the board, the President shall be charged with the general supervision of the day-to-day business and affairs of the Corporation, and subject as aforesaid the President shall have the power to appoint or remove any and all officers, employees and agents of the Corporation not elected or appointed directly by the board and to settle the terms of their employment and remuneration. The President shall exercise all of the powers and be charged with all of the duties of the office of Chairman of the Board during those respective periods of time during which such office shall be vacant. In the absence of the Chairman of the Board, if one has then been elected, the President shall preside as chairman of each meeting of the board at which he is present and acting as a director and as chairman of each meeting of the shareholders at which he is present. During the absence or inability of the Chairman of the Board, if one has then been elected, the President may perform the other duties and exercise the other powers of that office, if any, and if the President shall perform any of such duties or exercise any of such powers the absence or inability of the Chairman of the Board shall be presumed with respect thereto. If the authority of the Chairman of the Board to act as chief executive officer of the Corporation shall have been withheld by the board, the President shall also be the chief executive officer of the Corporation and as such charged, subject to the authority of the board, with the general supervision of the business and affairs of the Corporation.

(c) Secretary - the board shall at all times have elected or appointed a Secretary. The Secretary shall attend all meetings of the board and the shareholders and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and others entitled to notices of meetings; he shall be the custodian of the corporate seal of the Corporation, if the Corporation has a corporate seal, and of all books, papers, records, documents or other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

(d) Chief Financial Officer - the board shall at all times have appointed a Chief Financial Officer, who shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit or cause to be deposited all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the chief executive officer of the Corporation and the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an account of all his transactions as Chief Financial Officer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

(e) Vice-President - the board may from time to time appoint one or more Vice-Presidents. The Vice-President, or if there are more than one, the Vice-Presidents in order of seniority (as determined by the board) shall be vested with all of the powers and shall perform all of the duties of the President in the absence or disability or refusal to act of the President, except that a Vice-President shall not preside at meetings of the board or of the shareholders except as may be specifically provided in the Corporation's by-laws. If a Vice-President exercises any duty or power of the President, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall also perform such other duties and exercise such other powers as the President may from time to time delegate to him or the board may prescribe.

(f) Other Officers - the duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

3.03 Agents and Attorneys. The board shall have the power from time to time to appoint agents or attorneys for the Corporation within or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

IV. SHAREHOLDERS

4.01 Who is to Preside At Meetings. The Chairman of the Board or, in his absence, the President, or in his absence a Vice-President who is a director, shall preside as Chairman at any meeting of shareholders, but if there is no Chairman of the Board, the President or such Vice-President, or if at a meeting none of them is present within fifteen minutes after the time appointed for the holding of the meeting, the shareholders present shall choose a person from their number to be the Chairman.

4.02 Persons Entitled To Be Present. The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and officers of the Corporation and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

4.03 Scrutineers. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman of the meeting with the consent of the meeting to act as scrutineers at the meeting. Such scrutineers need not be shareholders of the Corporation.

4.04 Quorum At Meetings. A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled, together representing at least twenty percent (20%) of the issued and outstanding shares entitled to be voted at such meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholder or shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business.

4.05 Meeting Held by Electronic Means. The board may determine that a meeting of shareholders shall be held, subject to the Act, entirely by means of a telephonic, electronic or other communication facility, including teleconferencing, video conferencing, computer link and webcasting, that permits all participants to communicate with each other adequately during the meeting.

4.06 Votes. Every question submitted to any meeting of shareholders shall be decided by a show of hands unless, at any time before the termination of the meeting, a ballot is ordered by the chairman or demanded by a shareholder, its representative or proxyholder, either before or after any vote by show of hands. If at any meeting a ballot is to be taken, it shall be taken in such manner and either at once or after adjournment as the chairman directs. The result of a ballot shall be deemed to be a resolution of the meeting at which the ballot was taken whether or not a vote by way of a show of hands had previously been taken on the same question. Notwithstanding the foregoing, any vote may be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility if the Corporation makes such a communication facility available.

4.07 Advance Notice for Nomination of Directors. Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a "Nominating Shareholder") (i) who, at the close of business on the date of the giving of the notice provided for below in this section 4.07 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 4.07:

a) in addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 4.07;

b) to be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this paragraph (B). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above;

c) to be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and (b) as to the Nominating Shareholder giving the notice, any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws;

d) no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 4.07; provided, however, that nothing in this section 4.07 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded;

e) for purposes of this section 4.07, (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "Applicable Securities Laws" means the *Securities Act* (Ontario) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada; and

f) Notice given to the secretary of the Corporation pursuant to this section 4.07 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

V. SHARES

5.01 Transfer Agent and Registrar. The Board may from time to time appoint a registrar to maintain any securities register and a transfer agent to maintain the register of transfers of such securities and may also appoint one or more branch registrars to maintain branch security registers and one or more branch transfer agents to maintain branch registers of transfers, and any one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

5.02 Non-recognition of Trusts. Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

VI. DIVIDENDS

6.01 Payment. A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or any one of them to the order of each registered holder of shares of the class in respect of which it has been declared, which cheque may be mailed by prepaid ordinary mail to such registered holder at his last address appearing on the records of the Corporation. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and if more than one address appears in the books of the Corporation in respect of such joint holders the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque shall not be paid on presentation. Upon proof being given to the Corporation of the non-receipt of any such cheque by the person to whom it was so sent, as aforesaid, and upon satisfactory indemnity being given to the Corporation in that regard, the Corporation shall issue to such person a replacement cheque for a like amount.

VII. FINANCIAL YEAR

7.01 The financial or fiscal year of the Corporation shall be as determined from time to time by the Board.

VIII. NOTICES

8.01 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

8.02 Notice to Joint Shareholders. All notices with respect to any shares registered in the name of more than one holder may if more than one address appears in the records of the Corporation in respect of such holders be given to such holders at the first address so appearing, and notice so given shall be sufficient notice to all of the holders of such shares.

8.03 Persons Entitled by Death or Operation of Law. Every person who by operation of law, by transfer, by the death of a shareholder, or otherwise, becomes entitled to shares, is bound by every notice in respect of such shares which has been duly given to the registered holder of such shares prior to the name and address of such person being entered on the records of the Corporation as the holder of such shares.

8.04 Method of Giving Notices. Subject to the Act, any notice (which term includes any communication or other document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a shareholder, director, officer or auditor may be given and, if so given, shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary mail (except in the event of an actual or threatened stoppage or slow-down in mail delivery, in which case an alternate method of giving notice shall be used) or if sent to him at his recorded address (which term shall include his recorded facsimile number or electronic mail address) by means of any prepaid transmitted or recorded communication, including by means of telecopy, facsimile, e-mail or otherwise by electronic means. A notice so delivered shall be deemed to have been given and received when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received at the time it would be delivered in the ordinary course of mail, unless there are reasonable grounds for believing that the person to whom it is delivered or mailed did not receive the document within that time or at all. A notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or transmitted by or on behalf of the Corporation, and shall be deemed to have been received at the same time, unless there are reasonable grounds for believing that the person to whom it is sent did not receive the notice within that time or at all. Notwithstanding the foregoing, any notice so delivered (other than by prepaid ordinary mail), dispatched or transmitted to the recorded address after 5:00 p.m. local time at the place of delivery or on a Saturday, Sunday or banking holiday (a "non-business day") at the place of delivery, shall be deemed to have been received at 8:00 a.m.

local time on the first day thereafter that is not a non-business day. The Secretary may change or cause to be changed the recorded address of any shareholder, director, officer or auditor in accordance with any information believed by him or her to be reliable. Nothing in this section shall be construed as precluding the giving of notice by the Corporation in any other manner.

IX. EXECUTION OF DOCUMENTS

9.01 Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by any two of the directors and officers and all such documents so signed shall be binding upon the Corporation without any further formality. Notwithstanding the foregoing, the board may at any time and from time to time direct the manner by which any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

9.02 Seal. Any person authorized to sign any document may affix the corporate seal of the Corporation thereto, if the Corporation has a corporate seal.

X. EFFECTIVE DATE

10.01 This by-law comes into force upon confirmation by the shareholders of the Corporation in accordance with the Act.

ENACTED as of the 29th day of May, 2017.

President

Secretary

This is Exhibit "C" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

Crawley MacKewn Brush LLP
corporate and securities litigation

Suite 800 - 179 John Street
Toronto, Ontario M5T 1X4
Phone: 416.217.0110
Fax: 416.217.0220
Web: www.cmblaw.ca

Alistair Crawley
416.217.0806
ACrawley@cmblaw.ca

June 22, 2020

Sent via Email

Alex Morrison and Karen Fung
Ernst & Young Inc.
Court-appointed Monitor of CannTrust
100 Adelaide Street West, P.O. Box 1
Toronto, ON M5H 0B3

Dear Mr. Morrison and Ms. Fung:

Re: In the Matter of the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, As Amended and In the Matter of a Plan of Compromise or Arrangement of CannTrust Holdings Inc., CannTrust Inc., CTI Holdings (Osoyoos) Inc., and Elmcliffe Investments Inc. (the "Applicant Companies") - Court File No.: CV-00638930-00CL

Please find enclosed a copy of the Proof of Claim Form and the Particulars of the Pre-Filing Claim of Peter Aceto, which are being delivered to Ernst & Young Inc. in its capacity as the Court Appointed Monitor of the Applicant Companies. The enclosed documents are being delivered in accordance with the Claims Procedure Order of Justice Hainey, dated May 8, 2020.

Per.

Yours truly,

Alistair Crawley

AC/wk
Encls.

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

A. PARTICULARS OF CLAIMANT

Full Legal Name of Claimant:

Peter Aceto (the "**Claimant**")

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

Attention (Contact Person): Alistair Crawley

Email Address: ACrawley@cmblaw.ca

Telephone Number: (416) 217-0806 Fax Number: (416) 217-0220

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

9 Aspley Road, North York, ON M5M 2X6

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

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

Yes: ☐ No: ☑

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

Full Legal Name of Assignee(s): ____________________

Attention (Contact Person): ____________________

Email Address: ____________________

Telephone Number: ____________________ Fax Number: ____________________

Full Mailing Address of the Assignee:

____

____

C. PROOF OF CLAIM

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

as legal counsel for Peter Aceto (state position or title, if applicable)

of Toronto, ON (city and province), do hereby certify:

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

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

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

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

☑ CannTrust Holdings Inc. (Name of Applicant)

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

Specifically,______________________________

____

____

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

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

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

$12,801,688 CAD (amount and currency)

ii. RESTRUCTURING CLAIM:

$________________________ (amount and currency)
(Restructuring Claim against any Applicant or any Director or Officer arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement on or after the Filing Date.)

iii. TOTAL CLAIM: $12,801,688 CAD (Total i. plus ii.)

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

☑ UNSECURED CLAIM OF $12,801,688 CAD (amount and currency)

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

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

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

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

☐ CLAIM AGAINST THE DIRECTORS AND OFFICERS OF

$____ (amount and currency)

E. PARTICULARS OF CLAIM AND DOCUMENTATION

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

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

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

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

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

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

F. FILING OF CLAIM

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

Dated at Toronto this 22 day of June, 2020.

Per.

Alistair Crawley

Signature of Claimant /Representative of Claimant

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

PARTICULARS OF THE PRE-FILING CLAIM OF PETER ACETO – SUBMITED TO THE MONITOR WITH PROOF OF CLAIM FORM DATED JUNE 22, 2020

1. Peter Aceto ("**Aceto**") makes this pre-filing claim in relation to the wrongful termination of his employment as Chief Executive Officer ("**CEO**") of the Applicant, CannTrust Holdings Inc. ("**CannTrust**"). A copy of Aceto's employment agreement is attached hereto as **Schedule "A"**.

2. On July 25, 2019 CannTrust terminated Aceto's employment as CEO. According to Aceto's termination letter (the "**Termination Letter**"), his employment was terminated for "… reasons relating to [Aceto's] conduct and the current circumstances of CannTrust." A copy of Aceto's Termination Letter is attached hereto as **Schedule "B"**.

3. CannTrust had no lawful cause to terminate Aceto's employment. The "conduct" referenced in Aceto's Termination Letter was not explained to Aceto at the time or thereafter. Nor were the "circumstances" referenced in this letter specified. However, it is evident that the termination of Aceto was connected to the aftermath of the receipt by CannTrust on July 3, 2019 of a highly negative audit report by Health Canada (the "**Audit Report**") related to its cannabis

growing operations. CannTrust announced the Audit Report findings on July 8, 2019, and later announced that Health Canada was also inspecting its manufacturing facility. This raised the spectre of CannTrust being sanctioned by Health Canada and resulted in significant negative publicity for CannTrust and a substantial decline in its share price.

4. On July 11, 2019, CannTrust announced the formation of a Special Committee of the Board of Directors to investigate Health Canada's findings (the "**Special Committee**"). The Special Committee was ostensibly comprised of independent members of the Board of Directors. However, the independence of the Special Committee is doubtful due to the connections of certain of its members with the founders and former senior management team of CannTrust. The Special Committee quickly expanded its mandate from investigating the non-compliance findings to directing the affairs of the Company. The Chair of the Special Committee replaced Aceto as CEO and the Special Committee's legal counsel took over as counsel to CannTrust.

5. On the same day that Aceto was terminated, CannTrust announced to the public that its nascent two-week-old "investigation into the Company's non-compliance with Health Canada regulations and ancillary matters uncovered *new information* that has resulted in a determination by the Board to terminate with cause CannTrust CEO Peter Aceto" [emphasis added]. The "new information" referenced in this announcement was not disclosed to Aceto at the time.

6. The clear implication of this announcement, which was intended by the Special Committee and attracted significant media coverage, was that Aceto was at fault for CannTrust's non-compliance with Health Canada regulations detailed in the Audit Report. This is categorically untrue.

7. Aceto was employed at CannTrust for only 9 months. He was still transitioning into the role of CEO when the events addressed in the Audit Report occurred. In fact, the decisions and actions upon which Health Canada's findings of non-compliance were based were all taken prior to Aceto even joining CannTrust, in some cases months before. These decisions and actions were not disclosed to Aceto when he was recruited to join CannTrust as CEO. To the contrary, it was represented to him that CannTrust was a market leader in regulatory compliance with Health Canada and a trusted operator.

8. Aceto's background is as a senior executive in the financial services industry and he was hired for that expertise. He had no experience or knowledge of Health Canada's regulatory compliance regime; although he knew from the regulation of financial services companies that regulatory compliance is a specialized endeavour and that effective compliance requires an in-depth understanding of the expectations of the regulators. Accordingly, Aceto necessarily relied on CannTrust's existing senior management, who had worked with CannTrust since it was founded, and the Company's existing regulatory compliance structure and personnel.

9. The non-compliance issue featured in the Audit Report that attracted the most attention, was the use by CannTrust of new growing rooms prior to receiving the necessary licence amendment approvals to add them to its licence. Notably, the decision to take this action was made by CannTrust's senior management in September 2018, before Aceto was hired. Aceto's exposure to this issue was fleeting. In mid-November 2018, after only 6 weeks on the job, Aceto was copied on an email regarding an inspection by Health Canada that day, which flagged that Health Canada's inspectors had *not raised* the fact that CannTrust had begun production in one of its new growing rooms before the licence amendment had been granted. Aceto questioned this information

and was immediately provided detailed and credible assurances that the use of the new growing rooms was acceptable in the circumstances due to unforeseen delays in Health Canada's licencing process resulting from the transition to the new Regulations governing recreational cannabis.

10. The new growing rooms were all added to CannTrust's licence on April 5, 2019. Although Aceto was given occasional updates as to the status of the licence amendment applications, he never learned of any information to question the initial advice that he was given that the interim use of the rooms was acceptable to Health Canada pending the delay in the approvals.

11. The second category of non-compliance issues were raised by Health Canada following its inspection of CannTrust's manufacturing facility. Aceto had no insight at all into these issues. In fact, the facility had been subject to a full audit by Health Canada in December 2018 and no material compliance issues were raised. One of the main concerns now raised by Health Canada in July 2019, was the use made of unlicenced storage facilities since June 2018. The decision and action to use these storage rooms pre-dated Aceto's employment at CannTrust by several months and he was not advised of any irregularities.

12. A further issue, not raised in the Health Canada audit, was "new information" reported by the Special Committee to Health Canada on July 24, 2019 that CannTrust had used unlawfully imported cannabis seeds. The Special Committee advised that it had just learned of this information after 6:30pm that day and was recommending the termination of "senior individuals" at the close of business the next day in connection with this issue. Aceto was terminated the following day. However, he had no knowledge of or involvement with any issue concerning the importation of seeds. This misinformation was later relied upon by Aceto's insurer to deny

insurance coverage. This is almost certainly the "new information" referenced in CannTrust's press release announcing the termination of Aceto. It is entirely spurious.

13. The termination of Aceto by CannTrust, on the recommendation of the Special Committee, "for cause", was a ruse to focus attention on Aceto as being responsible for CannTrust's compliance problems with Health Canada and distract attention from the incumbent Board of Directors and the senior management team that pre-dated Aceto's employment.

14. CannTrust was founded by a close-knit group of business people with long-standing professional and personal relationships. They controlled the Board and dominated the senior management of CannTrust at the time that Aceto was recruited to be CEO. Aceto came in as an outsider. Notably, the former CEO did not resign from management. Instead he assumed the position of Special Advisor to CannTrust's Management Team and continued to Chair the Board of Directors. The former CFO remained as a senior officer with a different title. The key individuals in the outside consulting firm that had handled CannTrust's financial reporting continued as directors. While the founders and insiders were content for Aceto to present the face of new professional management to the capital markets, they circumscribed Aceto's authority within CannTrust by intervening in major management decisions and obstructing Aceto's attempts to strengthen the Company's management team and corporate governance.

15. Accordingly, although it was the decisions and actions of the existing senior management and Board of Directors taken prior to Aceto's employment that led to the non-compliance issues with Health Canada, Aceto was the obvious casualty. Rather than defend and explain their prior

management decisions and their advice to Aceto on these issues, they cynically terminated Aceto "for cause". The decision was made in bad faith.

16. The strategy of CannTrust in directing blame towards Aceto has been devastating to his professional reputation. Moreover, this strategy has exposed Aceto to an investigation by the Joint Serious Offences Team of the Ontario Securities Commission and the RCMP and has made Aceto a target in various civil proceedings. To add insult to injury and to perpetuate the false narrative that it has created, CannTrust has refused to indemnify Aceto for his costs in defending those proceedings and/or any liability resulting therefrom.

17. The Company's position in singling out Aceto and terminating him for cause is absurd, as he at all times acted in accordance with the advice of existing senior management and the Board of Directors.

18. In reliance on the above stated facts, Aceto makes the following claims against CannTrust:

a) Damages in the amount of $560,000 pursuant to the terms of the Aceto's Employment Agreement for his wrongful termination, comprising 12 months of salary and his pro-rated bonus entitlements, or, in the alternative, damages in lieu of notice pursuant to the *Employment Standards Act*, 2000, S.O. 2000, c. 41;

b) Damages in the amount of $170,000 on account of Aceto's earned and unpaid bonus for the period commencing October 1, 2018 and ending July 25, 2019, being the date that Aceto's employment was unlawfully terminated;

c) Damages in the amount of $10,000 representing the amount of Aceto's out of pocket health expenses under his Employment Agreement for a period of 12 months;

d) Damages in the amount of $61,687.51, representing the amount of Aceto's vacation pay earned and owing to the date of his termination and over the course of his 12-month notice period;

e) Damages in the amount of $2,000,000, representing the value of Aceto's entitlements under the CannTrust Stock Option Plan, its Long-Term Incentive Plan, and other equity compensation plans that may have been constituted, to which Aceto is entitled for the period of his employment and over the course of his 12-month notice period;

f) Damages in the amount of $10,000,000 for bad faith conduct in the manner in which Aceto was terminated, moral damages, exemplary damages, and/or punitive damages;

g) In the alternative to subparagraph (f) above, General damages in the sum of $10,000,000 for loss of reputation, loss of competitive advantage, and deceit;

h) Interest at the rate that Aceto would have earned on the damages claimed if he had received the monies owing when due and invested those funds as and when received, or in the alternative at the rate provided for in section 128 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended; and

i) Indemnification from CannTrust for all costs, charges and expenses incurred by Aceto in pursuing this claim for damages and in responding to the investigations and various proceedings commenced against Aceto, pursuant to the terms of Aceto's Employment Agreement and the Ontario *Business Corporations Act*, R.S.O. 1990, c. B. 16.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22 day of June, 2020.

Alistair Crawley

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
acrawley@cmblaw.ca
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Tel: 416.217.0110
Fax: 416.217.0220

Lawyers for the defendant
Peter Aceto

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

PRE-FILING CLAIM OF PETER ACETO

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
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Tel: 416.217.0897

Tel: 416.217.0110
Fax: 416.217.0220

Lawyers for the defendant
Peter Aceto

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is made as of the 1st day of October 2018,

BY AND BETWEEN,

CANNTRUST HOLDINGS INC.,
a company organized and existing under the laws of Ontario,
with its registered office located at 3280 Langstaff Road Building 1,
Vaughan, Ontario, Canada L4K 5B6

(the "**Company**");

- and -

Peter Aceto,
9 Apsley Road, North York, Ont. M5M 2X7

(the "**Employee**").

WHEREAS:

A. The Company wishes to engage the Employee to act as the Chief Executive Officer of the Company and its parent CannTrust Holdings Inc. pursuant to the terms and conditions of this Agreement; and

B. The Employee desires to be engaged by the Company to act as its Chief Executive Officer pursuant to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the Consideration and premises and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the Company and the Employee herby covenant and agree as follows:

"**Board**" means the board of directors of the Company, as constituted from time to time.

"**Change of Control**" means the occurrence of any one or more of the following:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition as a result of which a Person or group of Persons acting jointly or in concert (whether by means of a shareholder agreement or otherwise) or Persons associated or affiliated with any such Person or group within the meaning of the *Canada Business Corporations Act*, other than the Employee and his associates, become the holders of 50% or more of the common shares of the Company (other than solely involving the Company and one or more of its affiliates);

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the property or assets of the Company on a consolidated basis other than a disposition to a CannTrust Entity;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(iv) any Person or Persons acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or any successor Entity (regardless of whether a meeting has been called to elect directors) (a "**Significant Interest**"); provided, however, that an Acquiror who owns or controls a Significant Interest as at the date of this Agreement shall not trigger a Change of Control;

(v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board of Directors; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred.

For the purposes of the foregoing subparagraph (iv), "**Voting Securities**" means common shares and any other shares entitled to vote for the election of directors of the Company and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors of the Company but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Company including any options or rights to purchase such shares or securities ("**Other Securities**"), but only Other Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right vote or in respect of which the Acquiror has the right to direct the voting shall be considered outstanding Voting Securities.

"**Good Reason**" means the occurrence of any of the following without the Employee's written consent only if the Employee has provided written notice of such occurrence to the Company immediately upon the occurrence of such an event and the Company has not corrected such occurrence within 30 days following receipt of written notice:

(i) a materially adverse change in the Employee's position, duties or responsibilities;

(ii) a reduction by the Company of the Salary, except:

(A) as part of a general reduction in the salary of all or substantially all of the officers of the Company which affects the Employee in substantially the same manner as the other officers who are also affected by such general reduction; or

(B) which does not constitute more than ten (10) percent of his Salary;

(iii) the taking of any action by the Company that would materially adversely affect the Employee's participation in or materially reduce the benefit plans in which the

Employee is participating, except in any such case as part of a general reduction in benefits of all or substantially all of the officers of the Company that affects the Employee in substantially the same manner as the other officers who are also affected by such reduction; or

(iv) any requirement by the Company that the Employee's principal office be relocated to a location outside of a 50km radius from the Company or a CannTrust Entity.

"Permanent Disability" means a mental or physical state whereby the Employee:

i. is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill the Employee's obligations as an executive or officer of the Company for a cumulative period of nine (9) months out of twelve (12) consecutive calendar months; or

ii. is declared by a Court of competent jurisdiction to be mentally incompetent or incapable of managing his/her affairs.

"**Person**" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other organization, entity or governmental entity, and pronouns have a similarly extended meaning.

"**CannTrust Entities**" means, collectively, the Company and each Subsidiary of the Company.

"**Subsidiary**" has the meaning ascribed thereto in section 2(5) of the *Canada Business Corporations Act*.

"**Termination Date**" means the date on which the Employee's active employment terminates, notwithstanding any applicable notice or severance period, whether required by statute or common law.

1. EMPLOYMENT

1.1 The Company shall employ and the Employee agrees to be employed as Chief Executive Officer of the Company and CannTrust Holdings Inc. and will accomplish those duties of employment as listed in Appendix A, attached hereto and incorporated herein, and such other duties that may be assigned to him from time to time by the Board, to whom he shall report.

1.2 Until agreed otherwise with the Company, the Employee's place of work will be primarily at the Company's office in Vaughan, Ontario. The Employee will be required to travel within Canada, the and internationally for the performance of the Employee's duties.

2. DATE OF COMMENCEMENT

2.1 The Employee's employment with the Company commenced on October 1, 2018 and will continue until terminated in accordance with the paragraph entitled "Termination of Employment" below.

2.2 The Employee's period of continuous employment likewise commenced on October 1, 2018. This does not include any period of service with a previous employer.

3. PERFORMANCE AND DUTIES/RESPONSIBILITIES OF THE EMPLOYEE

3.1 The Company shall employ the Employee, and the Employee shall serve the Company, as an officer of the Company in the position of Chief Executive Officer, all in accordance with the terms and conditions of this Agreement. In such position, the Employee shall report directly to the Board of Directors of the Company and CannTrust Holdings Inc. and shall perform or fulfill such duties and responsibilities as the Board of Directors may designate from time to time, including those duties of responsibilities customarily performance by a person holding the same or equivalent position in entities of similar size to the Company, engaged in a business similar to the Company.

3.2 During the term of this Agreement, the Employee shall faithfully, honestly and diligently serve the Company and CannTrust Holdings Inc. and shall carry out such tasks as the Board of Directors may from time to time reasonably request. The Company may change the Employee's responsibilities and status, provided that such change or series of changes would not constitute Good Reason. The Employee shall devote the whole of his time to the Employee's responsibilities and shall use his best efforts to promote the interests of the Company. The Employee shall observe and follow the policies and procedures established by the Corporation, which are subject to change by the Company from time to time at the Company's sole discretion.

4. REMUNERATION

Employee's compensation and any and all other rights of Employee under this Agreement are included in the following compensation package (the "**Compensation Package**"). This Compensation Package shall contain certain financial terms outlined in Schedule A and conditions subject to Article 4 and 5 herein.

4.1 *Basic Compensation.* The Company agrees to pay the Employee an annual salary (the "**Salary**"), as set forth in Schedule A, which will thereafter be reviewed annually and may be increased at the sole discretion of the board of Directors. The Salary is subject to statutory deductions, to be pro-rated in his first year of employment and paid in instalments in accordance with the Company's normal payroll practice and on the Company's regularly scheduled pay days.

4.2 *Bonus.* The Employee shall be eligible to receive the Bonus and on such terms and conditions as the Board of Directors in its sole discretion may determine from time to time, based upon such factors as the Board of Directors in its sole discretion determines are relevant. The Annual Bonus is subject to the terms and conditions of any applicable bonus plan, as such plan is enacted, and as may be amended by the Company at its sole discretion from time to time.

4.3 *Long-Term Incentive Plan.* The Employee shall be entitled to participate in and to receive all rights and benefits under the Stock Option Plan maintained by CannTrust Holdings Inc. and other equity compensation plans as the same may be constituted from time to time, together with such other plan or plans as may be implemented by the Company during the term of this Agreement, provided that such participation shall be in accordance with and subject to all applicable terms and conditions of such plans.

5. BENEFITS

5.1 *Benefits.* The Employee will be eligible to participate in the Company's further benefits of employment such as health, medical, vision, dental, disability and life insurance benefits and any other fringe benefit programs that the Company maintains from time to time for the benefit of its officers, effective on the date of commencement of employment. Should the Company not yet have a group-insured or other employee benefit plan established, the Employee will be reimbursed for out-of-pocket expenses associated with maintaining such coverage until the Company establishes any such benefits plan.

5.2 *Vacation*. As part of his basic compensation outlined in Section 0, the Employee is entitled to five (5) weeks of paid vacation per year, to be pro-rated in his first year of employment.

5.3 *Travel Plan*. The Employee may travel in Business Class for flights over six hours.

5.4 *D&O Insurance*. The Company covenants that it shall, at all times, maintain adequate directors and officers liability insurance for the protection of its officers and directors (including the Employee). Further, such insurance shall be maintained for at least six years following the termination of the Employee's employment under this Agreement.

6. TERMINATION OF EMPLOYMENT

6.1 The Employee's contract of employment is terminable by the Employee on giving the Company 90 days' prior written notice of resignation. It is understood and agreed that the Company shall be entitled to waive all or part of that notice and accept the Employee's resignation at an earlier effective date. The Employee will only be paid any accrued and outstanding Salary to the Termination Date and any expenses incurred on or before the Termination Date; the Employee will not be entitled to any further bonus payments and any unvested LTIP grants will cease to vest and will immediately expire on the Termination Date.

6.2 All employees are required to obtain a RCMP Clearance Check, with the original copy of approval to be kept in the employment file at CannTrust Inc. In the event that the employee does not pass RCMP Clearance, the employment offer will be revoked immediately. And in the event that the RCMP clearance is revoked at any time, CannTrust Inc. has the right to terminate employment immediately with no requirements for severance. Furthermore, the Company reserves the right to terminate the Employee's contract without notice, or pay in lieu of notice, if it has reasonable grounds to believe the Employee is guilty of misconduct, negligence or in material breach of one of the terms of the Employee's employment or in any other instance which would constitute cause at law. The Employee will only be paid any accrued and outstanding Salary to the Termination Date; he will not be entitled to any further bonus payments and any outstanding LTIP grants will cease to vest and will immediately expire on the Termination Date. The failure by the Company to rely on this subparagraph in any given instance or instances shall not constitute a precedent or be deemed a waiver.

6.3 The Company may terminate the Employee's employment at its sole discretion for any reason, without cause, upon providing the Employee with:

(1) an amount equal to twelve (12) months salary and pro rated target bonus (as defined in schedule A) for the year of termination if the employee is employed less then twelve (12) months

(2) an amount equal to twenty-four (24) months' salary and pro rated target bonus (as defined in schedule A) for the year of termination, if the Employee has been employed twelve (12) months or more

In each case, the Company will continue your participation in the Company's health insurance plans for the applicable period set out in subparagraphs (i), (ii) and (iii) above, subject to any restrictions or limitations imposed by the Company's group insurer or scheme provider. This termination provision includes any entitlement the Employee may have to reasonable notice at common law, as well as notice of termination and severance pay under the *Employment Standards Act* (Ontario) (the "**ESA**"). Any outstanding LTIP grants will vest in accordance with the terms of the Stock Option Plan.

6.4 The Employee agrees that the Company may, instead of providing the notice described in the preceding subparagraph, make a payment or payments in lieu of such notice. Such payment may be provided in instalments in accordance with the Company's usual payroll practices for that period of notice which the Company is required to give under the preceding subparagraph. The decision to provide actual notice or pay in lieu, or any combination thereof, shall be in the sole discretion of the Company. Any such payment or payments shall be based on the Employee's then-current Salary and shall include the value of any bonus which would have accrued to the Employee, based on performance (as defined in schedule A), had the Employee been employed until the expiry of the Employee's notice entitlement hereunder, subject only to any requirement of the ESA.

6.5 In lieu of and not in addition to the termination payments and benefits provided for in subparagraphs 6.3 above, if within twelve (12) months following a Change of Control (i) the Employee's employment with the Company is terminated without Cause, or (ii) the Employee terminates the Employee's employment for Good Reason, then the Company shall:

(i) pay to the Employee (A) any accrued but unpaid Salary for services rendered to the Termination Date, (B) any expenses incurred on or before the Termination Date, (C) any vacation that is accrued but unused at the Termination Date, and (D) a lump sum amount equivalent to twenty-four (24) months of the Employee's then-current salary plus 3-year Average Actual Bonus];

(ii) continue any group-insured or other similar employee benefit scheme established by the Company for twenty-four (24) months after the Termination Date, subject to any restrictions or limitations imposed by the Company's group insurer or scheme provider; and

(iii) make all unvested LTIP granted to the Employee vested and exercisable on the Termination Date in accordance with the terms of the Stock Option Plan.

In the event of a termination in accordance with this subparagraph 6.5, the terms of this subparagraph shall be in full satisfaction of any and all of the Employee's entitlements upon such termination and the Company shall have no further obligation to the Employee.

6.6 This agreement shall automatically terminate upon the death of the Employee in which case the Employee's estate shall have no claim against the Company for damages or otherwise arising out of or in respect of this Agreement or the Employee's employment with the Company except for payment of the amounts set out in Section 6.1, in addition to vesting of units granted and prorated bonus(as defined in schedule A) up to date of death.

6.7 In the event that the Employee suffers a Permanent Disability, the employment of the Employee may be terminated by the Company upon sixty (60) days' notice to the Employee; except that if the termination of the Employee's employment would impair the Employee's ability to receive long-term disability benefits in whole or in part, the Employee shall, in lieu of termination, be placed on an unpaid leave of absence, it being understood, however, that the Employee shall not be entitled to re-employment by the Company after such leave of absence or when the Employee ceases to be in receipt of such benefits. The Employee agrees that if the Company is forced to terminate the Employee for Permanent Disability, this Agreement will have been frustrated, and in any event the Employee agrees that accommodating a Permanent Disability would impose an undue hardship upon the Company. In the case of a Permanent Disability, the Company agrees to payment of the amounts set out in Section 6.1., in addition to vesting of units granted and prorated bonus (as defined in schedule A) up to date of permanent disability.

6.8 On termination of the Employee's employment, the Employee must immediately return to the Company in accordance with its instructions all equipment, correspondence, records, specifications, software, disks, models, notes, reports and other documents and any copies thereof and any other property belonging to the Company, including but not limited to keys, credit cards, equipment and passes, which are in the Employee's possession or under the Employee's control. The Employee must, if so required by the Company, confirm in writing that the Employee has complied with the Employee's obligations under this subparagraph.

7. SOLE ENTITLEMENT

Notice provided and/or payments made by the Company under this Agreement are deemed to be in lieu of any other entitlements to notice, severance, damages, or other similar benefits which may be available to the Employee under the Company's policies or applicable law in the event that the Employee's employment is terminated by the Company and shall be the sole entitlements of the Employee upon termination.

8. CONFIDENTIALITY AND TRADE SECRETS

8.1 *Confidential Information.* The Employee acknowledges that in the course of performing his duties or by reason of his position, he will become privy to information and material relating to the Company, its business, clients and employees, either oral, written or in any other form, which is highly confidential (the "**Confidential Information**").

8.2 *Prohibitions Against Unauthorized Use.* Other than in connection with the Employee's employment with the Company, the Employee shall not, during the term of his employment or at any time thereafter, use, divulge, diffuse, sell, transfer, give, circulate or otherwise distribute any Confidential Information or trade secret to any person except to a person clearly authorized by the Company to receive such Confidential Information or trade secret. The Employee shall use reasonable and prudent care to safeguard and protect the Confidential Information and trade secrets and to prevent the unauthorized use and disclosure of the Confidential Information and trade secrets.

8.3 *Ownership of Confidential Information and Trade Secrets.* All Confidential Information and trade secrets or other property owned by the Company in the Employee's possession, custody or control, including without limitation, all documents, reports, manuals, business plans, minutes, memoranda, computer software, computer databases, computer print-outs, member of customer lists, credit cards, keys, identification, products, access cards, and all other tangible or intangible property relating in any way to the business of the Company are and shall remain the exclusive property of the Company, notwithstanding that the Employee may have authorized, created or assisted in the creation of such property. The Employee shall return to the Company all such Confidential Information and other property owned by the Company immediately upon termination of employment for any reason whatsoever or as such earlier time as the Company may reasonably request.

For greater certainty and without limiting the generality of the preceding paragraph, any document or work composed, assembled or produced by the Employee containing Confidential Information becomes the property of the Company and is governed by this Article 8.

9. NON-COMPETITION AND NON-SOLICITATION

9.1 The Employee will not, without the prior written consent of the Company, at any time during his employment under this Agreement or at any time for a period of twenty-four (24) months following the termination of the Employee's employment under this Agreement for whatever reason and with or without Cause, and with or without Good Reason, either individually, or in partnership, or jointly, or in conjunction with any Person as principal, agent, employee or shareholder (other than a holding of shares listed on a Canadian or United States stock exchange that does not exceed 5% of the outstanding shares so listed) or in any other manner whatsoever on his own behalf or on behalf of any Person entice, solicit or endeavour to entice or solicit, other than by means of a general advertisement not directed at any particular employee, any Company Employee away from employment with the Company and any of the CannTrust Entities, whether or not such Person would commit a breach of contract by reason of leaving such service.

9.2 The Employee hereby agrees that the Employee will not during the Employee's employment and for a period of twenty-four (24) months immediately following the Termination Date, whether on the Employee's own behalf or in conjunction with or on behalf of any other person, firm, company, corporation, or other organisation or entity (and whether as an employee, director, principal, agent, consultant or in any other capacity), directly or indirectly solicit or assist in soliciting, any Client or Prospective Client with a view to supplying, or offering to supply, products or services that are the same or similar to those offered by the Company.

9.3 The Employee will not, within a 50km radius of the Company or any of the CannTrust Entities, without the prior written consent of the Company, at any time for a period of twenty-four (24) months following the termination of the Employee's employment under this Agreement for whatever reason and with or without Cause, and with or without Good Reason, directly or indirectly be employed by or otherwise provide services to any (i) Person in which the Company previously had a material direct or indirect ownership interest or (ii) any Person that has a direct or indirect material ownership interest in assets previously directly or indirectly owned by the Company or any of the CannTrust Entities while the Employee was employed hereunder.

9.4 This paragraph entitled "Non-Competition and Non-Solicitation" will also apply as though references to each CannTrust Entity were substituted for references to the Company. This paragraph and each subparagraph will, with respect to each CannTrust Entity, constitute a separate and distinct covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of the Company or any other CannTrust Entity. The provisions of this subparagraph shall only apply in respect of those CannTrust Entities: (a) to whom the Employee has provided the Employee's services, (b) for whom the Employee has been responsible, or (c) with whom the Employee has otherwise been concerned; in the twenty-four (24) months immediately preceding the Termination Date.

10. INDEMNITY

10.1 To the extent that it is lawfully able to do so and, subject to the requirements of the Business Corporations Act (Ontario), the Company shall indemnify the Executive and his heirs, and legal representatives against all costs, charges and expenses (including any amounts paid to settle any actions or satisfy any judgement) reasonably incurred by the Employee in respect of any civil, criminal or administrative action or proceeding to which he has been made a party by reason of being or having been an employee, director, or officer of the Company if:

a) the Employee acted honestly and in good faith with the view to the best interests of the Company; and

b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Employee had reasonable grounds for believing that his conduct was lawful.

11. GENERAL PROVISIONS

11.1 *Entire Agreement.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

11.2 *Binding Agreement.* The terms of this Agreement shall bind the parties and their respective successors, heirs and permitted assigns.

11.3 *Applicable Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, without reference to its conflict of law provisions, and the laws of Canada applicable therein. All disputes arising under this Agreement will be referred to the courts of the Province of Ontario which will have jurisdiction, and each party hereto irrevocably submits to the jurisdiction of such courts.

11.4 *Severability.* If any term or provision of this Agreement or the application thereof shall be invalid or unenforceable, such term or provision shall be severed from this Agreement and the remainder of this Agreement shall be unaffected thereby and each remaining term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. The parties shall thereafter use their best efforts to negotiate enforceable provisions to replace the severed terms and conditions.

11.5 *Waiver.* No provision of this Agreement may be waived except in a written document signed by the party granting such waiver.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

CANNTRUST INC.

Eric Paul
Chief Executive Officer

Witness
(not Employee's spouse)

Peter Aceto

APPENDIX A

CEO Job Description

Who We Are

CannTrust™ is a leading provider of pharmaceutical grade medical cannabis. At CannTrust, we are committed to research and innovation, as well as contributing to the growing body of evidence-based research regarding the use and efficacy of *Cannabis*.

We have a lightning fast paced, dynamic and fun environment, where our Team is serious about being a global leader in the cannabis industry. Founded in 2014, we are a publicly traded ("TRST" on the Toronto Stock Exchange) and federally regulated licensed producer of cannabis with locations in Vaughan and Niagara. This quite possibly is the best company to work for in the world!

Who You Are

The ideal candidate is an agile, proven business leader who is committed to continuous improvement. You are a passionate influencer with exceptional communication skills, experienced in directing and developing executive teams. You are customer-centric and tenacious about service, quality, delivery and cost. Of course, you also deliver consistent results by aligning yourself with CannTrust values.

Roles & Responsibilities

As the new **Chief Executive Officer (CEO)** you will be the face of CannTrust reporting to the Board of Directors. The CEO will provide vision, strategic direction and inspired leadership to the executive team, charting a course of continued success for the business.

Key responsibilities include: establishing and managing a long-term financial and operational plan to help the business fulfill its mission and achieve its short- and long-term business objectives, cultivating opportunistic partnerships and acquisitions while sustaining strong public confidence.

The ideal candidate for this CEO position will possess: a post-graduate degree and a minimum of 15 years of progressive work experience involving strategic direction of cross-functional operational teams, management best practices and effective corporate governance; strong leadership development and analytical skills and demonstrated problem-solving abilities; excellent written and verbal communication skills and well-developed public speaking skills.

People Leader

- Holds others and self accountable to gaps in performance, is a champion of feedback
- Acts with integrity: Demonstrates responsible, ethical and honest behavior while consistently leading by example; models the CannTrust values
- Motivates team to take timely action, resolves customer escalations in a timely manner
- Monitors progress of company strategy
- Sets organizational strategy and supports executive team with achieving results and development plans

- Encourages team to be involved in decisions, fosters talent development
- Strong communication skills, ability to promote learning and development; adapt with providing candid performance feedback
- Complies with all company policies

Physical Demands

- While performing the responsibilities of the job, the employee is required to be able to lift up to and including 50lbs, sit and/or stand for extended periods of time and reach with arms/hands. Walking, standing, bending, stooping, reaching, twisting, lifting, pushing, pulling and moving items is occasionally required.

Work Environment

- While performing the duties of this job, the employee is exposed to packaged cannabis products/supplies. The working environment can be noisy at times and temperate, the employee must have knowledge of how to manage their own personal safety under these conditions.

CannTrust is an equal opportunity employer. We thank you for your interest in employment opportunities at CannTrust. Please note, only the candidates who are selected for an interview will be contacted. CannTrust welcomes and encourages applications from people with disabilities. Accommodations are available on request for candidates taking part in all aspects of the selection process.

Schedule A

The following schedule outlines the compensation opportunities for the employee as defined in Article 4 of the Agreement. This schedule forms part of the entire Agreement.

Employment Agreement Compensation Terms for the CEO	
4.1 Basic Compensation ("Salary")	CDN$350,000 <<I'd like to discuss deferral of 1st year salary in exchange for shares>> not possible. ▪ To be pro-rated in his first year of employment
4.2 Bonus	Target = 60% of Salary
4.3 Long-Term Incentive Plan	**Whereas the Employee's Option grant is 1,000,000 options of the Option pool and is subject to vesting conditions as defined herein and illustrated in Schedule B.** **Whereas the Employee will not be eligible for additional Long-Term Incentive Plan grants until 2022 or as determined by the Board of Directors from time to time.** **Grant #1: Time Vested** ▪ 333,333 options granted. Options vest annually in one third (1/3) increments on the first, second and third anniversaries from grant date with no performance metrics. ▪ Issued at the Toronto Stock Exchange "TSX" closing price that is applicable to the company's next option granting date, based on your date of hire. ▪ Term to Expiry: 7 years

	Grant #2: Performance Vested
	▪ 666,667 options
	  ▪ Issued at the Toronto Stock Exchange "TSX" closing price that is applicable to the company's next option granting date, based on your date of hire.
	▪ Vest annually in one third (1/3) increments, subject to Performance, as defined below, based on the company fiscal year end for the second and third vesting period.
	▪ Performance: Is subject to 2 criteria, as defined by 1. Absolute Share Price and 2. Time. These are defined below:
	  o Achieving the following 90-day VWAP share prices as approved by the Board.
	    ▪ 1/3rd vest at $15.00/sh with 90-day VWAP on the first fiscal year end anniversary from date of hire (i.e. December 31, 2019).
	  ▪ 1/3rd vest $20.00/sh with 90-day VWAP on the second fiscal year end anniversary from date of hire (i.e. December 31, 2020).

	▪ $1/3^{rd}$ vest \$25.00/sh with 90-day VWAP on the third fiscal year end anniversary from date of hire (i.e. December 31, 2021). ▪ Any interim year performance (i.e. 2019 and 2020) that is not achieved, is eligible for vesting provided that the 2021 share price target is met. ▪ All stock will be fully vested after 7 years. Term to Expiry: 7 years
5.2 Vacation	Vacation entitlement is five (5) weeks' annually; pro-rated based on start date
6.2 RCMP Clearance Check	All employees are required to obtain a RCMP Clearance Check, with the original copy of the approval to be kept in the employment file at CannTrust Inc. In the event that the employee does not pass RCMP Clearance, the employment offer will be revoked immediately. And in the event that the RCMP clearance is revoked at any time, CannTrust Inc. has the right to terminate employment immediately with no requirements for severance

Schedule B

The following schedule outlines the Long-Term Incentive vesting schedule for the employee as defined in Article 4 and Schedule A of the Agreement. This schedule forms part of the entire Agreement

Stock Option Schedule	
Total Optons Granted	1,000,000.00
Term to Expiry	7 years

	Grant # of Options Granted October 2018 (1) (2)	October		
		2019	2020	2021
Grant #1: Number of Options subject to Time Vesting	333,333	111,111	111,111	111,111
	Grant # of Options Granted October 2018 (1) (2)	December		
		2019	2020	2021
Grant #2: Number of Options subject to Performance Vesting (3)	666,667	222,222	222,222	222,223
Performance: Share Price (90 day VWAP) & Balance Sheet within 5% of Budget	*	Price 1 TBD	Price 2 TBD	Price 3 TBD

(1) Table assumes the CEO start date and option grant date occur in October

(2) Strike price will be set as per the terms of CannTrust's Option Plan

(3) Any interim year performance (i.e. 2019 and 2020) that is not achieved, is eligible for vesting provided that the 2021 share price target is met.

CannTrust

July 25, 2019

Via Personal Delivery

Personal & Confidential

Peter Aceto
9 Apsley Road,
North York, ON
M5M 2X7

Re: Termination Letter

Dear Peter:

As was discussed with you verbally this afternoon, your employment with CannTrust Holdings Inc. ("CannTrust") is terminated effective immediately for cause for reasons relating to your conduct and the current circumstances of CannTrust.

In the circumstances of your termination, you are not entitled to notice of termination or pay instead of notice. In accordance with section 6 of your Employment Agreement dated October 1, 2018, you are not entitled to any further bonus payments and all outstanding LTIP grants will cease to vest and will immediately expire as of July 25, 2019.

CannTrust will pay to you your regular salary up to and including July 25, 2019. You will receive a lump sum payment for outstanding vacation pay owing to you as of July 25, 2019. A record of employment will be forwarded to you for Employment Insurance purposes.

CannTrust will deduct all required statutory deductions and outstanding advances from any amounts it pays to you as outlined above.

CannTrust will pay you all outstanding expenses which have been properly incurred up to July 25, 2019. In this regard, please submit an expense report by August 2, 2019.

Please arrange to return all CannTrust property in your possession or under your control immediately in accordance with section 6.8 of your Employment Agreement dated October 1, 2018 and confirm in writing that you have complied with this obligation.

We remind you that you continue to be bound by your obligations under your Employment Agreement dated October 1, 2018, including with respect to the protection of confidentiality and trade secrets, as well as non-competition and non-solicitation.

If you have any questions or require clarification of any of the matters in this letter, please contact Jason Fleming who can be reached at 416 459 8633 or jfleming@canntrust.ca at your convenience.

CannTrust

Yours truly,

Mark Dawber
Chairman of the Special Committee
Sent on behalf of the Board of Directors

This is Exhibit "D" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

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

To: Peter Aceto **Reference #: EY034**

Re: Proof of Claim filed by you against CannTrust Holdings Inc.

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

Type of Claim	Amount as Submitted ($CDN)	Amount allowed ($CDN)	Amount allowed as secured ($CDN)	Amount allowed as unsecured ($CDN)
Pre-Filing Claim	$12,801,688.00	$0.00	$0.00	$0.00

Reason for the Revision or Disallowance:

The Pre-Filing Claim of Peter Aceto set out in the proof of claim filed on his behalf dated June 22, 2020 (the "**Claim**") has been disallowed in its entirety.

Pursuant to section 6.2 of the employment agreement between CannTrust Holdings Inc. ("**CannTrust**") and Mr. Aceto dated October 1, 2018 (the "**Agreement**"), CannTrust was entitled to terminate the Agreement and Mr. Aceto's employment as chief executive officer for cause "if it has reasonable grounds to believe [Mr. Aceto] is guilty of misconduct, negligence or in material breach of one of the terms of [Mr. Aceto's] employment or in any other instance that would constitute cause at law."

Section 3.1 of the Agreement provides that Mr. Aceto was required to "perform or fulfill such duties and responsibilities as the Board of Directors may designate from time to time, including those duties or responsibilities customarily performance by a person holding the same or equivalent position in entities of similar size to the Company, engaged in a business similar to the Company."

Section 3.2 of the Agreement provides that Mr. Aceto was required to "faithfully, honestly and diligently" serve CannTrust and "use his best efforts to promote the interests of the Company."

CannTrust terminated the Agreement and Mr. Aceto's employment for cause on July 25, 2019 (the "**Termination Date**"). CannTrust asserts that Mr. Aceto was guilty of misconduct, negligence and material breaches of the terms of the Agreement based on the facts and allegations set out in Schedule "A" attached hereto, among others.

The Monitor accepts that, if the facts and allegations are true, CannTrust was entitled to terminate the Agreement and Mr. Aceto's employment for cause. Your claim has been reviewed on that basis.

Section 6.2 of the Agreement provides that upon such a termination for cause, Mr. Aceto "will only be paid any accrued and outstanding Salary to the Termination Date; he will not be entitled to any further bonus payments and any outstanding LTIP grants will cease to vest and will immediately expire on the Termination Date."

With respect to the amounts claimed by Mr. Aceto for salary and vacation pay, CannTrust paid the regular salary and vacation pay owing to Mr. Aceto as of the Termination Date. Section 6.2 of the Agreement provides that Mr. Aceto is not entitled to any further payments of salary or vacation pay upon his termination for cause.

With respect to the amount claimed by Mr. Aceto for unpaid bonus, section 6.2 of the Agreement provides that Mr. Aceto is not entitled to any further bonus payments upon his termination for cause.

With respect to the amount claimed by Mr. Aceto for entitlements under the CannTrust stock option/long term incentive program, section 6.2 of the Agreement provides that any outstanding grants under this program will cease to vest and immediately expire upon Mr. Aceto's termination for cause.

With respect to the amounts claimed by Mr. Aceto for bad faith, moral, exemplary or punitive damages, or general damages, Mr. Aceto is not entitled to any such damages due to his termination for cause and his misconduct, negligence and material breaches of the terms of the Agreement.

With respect to the indemnity claimed by Mr. Aceto with respect to costs, charges and expenses incurred in proceedings, section 10 of the Agreement provides that such an indemnity would only be available to Mr. Aceto if: (i) he acted honestly and in good faith with the view to the best interests of CannTrust, and (ii) he had reasonable grounds for believing that his conduct was lawful. Mr. Aceto does not meet either of these conditions.

Next Steps:

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

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

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

Address and numbers for service of Notice of Dispute:

Ernst & Young Inc.
Court-appointed Monitor of CannTrust Inc. & others
E-mail: CannTrust.Monitor@ca.ey.com
Fax: 416-943-3300
Address: 100 Adelaide Street, West, PO Box 1, Toronto ON M5H 0B3

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

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

Dated at Toronto this **July 24 2020**.

ERNST & YOUNG INC.

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

Per: K. Fung

Name: Karen Fung, Vice President
Encl.

Schedule A – CannTrust's Facts Supporting Termination for Cause

Growing of Cannabis in Unlicensed Rooms at Fenwick Facility

1. Mr. Aceto was aware by no later than November 16, 2018 (and likely in October 2018) that CannTrust was growing cannabis at its facility in Fenwick, Ontario (the "**Fenwick Facility**") in unlicensed rooms.

2. In or around mid-October, 2018, during one of his first visits to the Fenwick Facility as CEO, Mr. Aceto was informed by an employee that he was standing in front of a room where cannabis was being grown despite the room not being licensed. Mr. Aceto assured the employee that he would look into it.

3. On November 16, 2018, the Director of Quality & Compliance at CannTrust, Graham Lee ("**Lee**"), sent an email to Mr. Aceto stating, among other things, that growing room RG8 was not licensed for growing cannabis but had plants in it, and growing room RG9 was not licensed for growing cannabis but that they intended to put plants in the room on November 19, 2018.

4. RG8 was populated by cannabis plants without Mr. Aceto's instructions. Mr. Aceto gave instructions for all other rooms at the Fenwick Facility in Phase 2 to be used for unlicensed activity.

5. Mr. Aceto claims that he consulted Eric Paul about the growing of cannabis plants in unlicensed rooms and was told that the interim use of the rooms, while the Health Canada approval process was pending, was permissible. Mr. Aceto did not take any steps to verify this advice.

6. Mr. Aceto is a lawyer and the former chief executive officer of Tangerine Bank which operated in a highly regulated industry. Mr. Aceto knew, or ought to have known, that he was required to investigate this key compliance matter and the advice that he had purportedly received from Mr. Paul. Mr. Aceto did not take any steps to investigate the matter or otherwise stop the unlawful conduct of growing in unlicenced rooms. Instead, Mr. Aceto directed that the growing of plants in other unlicensed rooms at the Fenwick Facility should proceed.

7. Mr. Aceto did not disclose this non-compliance to the Board, Health Canada, the auditors of CannTrust or the underwriters in the 2019 offerings until the non-compliance was discovered by Health Canada in June 2019.

Storage of Cannabis in Unlicensed Rooms at Vaughan Facility

8. Mr. Aceto was aware by no later than November 16, 2018 (and likely in October 2018) that CannTrust was growing cannabis at its facility in Vaughan, Ontario (the "**Vaughan Facility**") in unlicensed rooms. The November 16, 2018 e-mail from Lee to Mr. Aceto also stated that two rooms at the Vaughan Facility were being used by CannTrust to store cannabis but were not approved by Health Canada for storage of cannabis.

9. Mr. Aceto knew that the unlicensed use of rooms in Vaughan continued into June 2019.

10. Mr. Aceto knew, or ought to have known, that he was required to investigate this key compliance matter. Mr. Aceto did not take any steps to investigate the matter or otherwise stop the unlawful conduct.

11. Mr. Aceto did not disclose this non-compliance to the Board, Health Canada, the auditors of CannTrust or the underwriters in the 2019 offerings until the non-compliance was discovered by Health Canada in July 2019.

Importation of Cannabis Seeds

12. Mr. Aceto was aware by no later than October 18, 2018 that CannTrust had acquired cannabis seeds from New Breed Seeds and that those seeds had been planted at CannTrust's growing facilities.

13. Mr. Aceto did not take any steps to verify whether the appropriate permits had been obtained to purchase these seeds.

14. Mr. Aceto knew, or ought to have known, that he was required to investigate this key compliance matter.

15. When the underwriters in the 2019 offerings asked questions about whether any seeds had been received from New Breed Seeds, Mr. Aceto did not confirm that seeds had been received from New Breed Seeds and did not correct Mr. Paul's false statements that they had not been received.

False Attestation re Pesticide Use

16. CannTrust provided false attestations to Stenocare A/S, signed by Mr. Aceto, that its products were cultivated without pesticides. The attestations were not true with respect to cannabis produced at the Fenwick Facility. Mr. Aceto knew, or ought to have known, that the attestations were false at the time that they were signed.

17. Mr. Aceto was made aware that these attestations were false by no later than November 2018 by another senior employee. Mr. Aceto took no steps to inform Stenocare A/S of this misrepresentation. He continued to sign false attestations. Shipments to Stenocare A/S on the basis of these false attestations continued until at least March 2019.

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

Name of Creditor: Peter Aceto

Pursuant to the order of the Honourable Mr. Justice Hainey dated May 8, 2020, I/we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number **EY034** and dated **July 24 2020** issued by Ernst & Young Inc. in its capacity as Monitor of the Applicants in respect of our Claim.

Reasons for Dispute:

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

____

____

____

____

____

Signature of Individual completed the Dispute Notice: __________________________________

(Please print name): ____

Date: ____________________ Email Address: ____________________________________

Telephone Number: _______________________Fax Number: ___________________________

Full Mailing Address:____

____

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

Address and numbers for service of Notices of Dispute:

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

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

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

This is Exhibit "E" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

Crawley MacKewn Brush LLP
corporate and securities litigation

Suite 800 - 179 John Street
Toronto, Ontario M5T 1X4
Phone: 416.217.0110
Fax: 416.217.0220
Web: www.cmblaw.ca

Alistair Crawley
416.217.0806
ACrawley@cmblaw.ca

August 17, 2020

Sent via Email

Karen Fung
Ernst & Young Inc.
Court-appointed Monitor of CannTrust
100 Adelaide Street West, P.O. Box 1
Toronto, ON M5H 0B3

Dear Ms. Fung:

Re: 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-00638930-00CL

Please find enclosed a copy of the Notice of Dispute of Peter Aceto (the "**Notice of Dispute**"), which is being delivered in response to the enclosed Notice of Revision or Disallowance dated July 24, 2020 (the "**Notice of Disallowance**").

Pursuant to the Order of Justice Hainey dated May 8, 2020, (the "**Claims Procedure Order**"), Mr. Aceto was required to deliver the Notice of Dispute by no later than 14 days following the date of the Notice of Disallowance, that being August 7, 2020, "or such longer period as may be agreed to by the Monitor in writing".

Please be advised that, according to the terms of the Claims Procedure Order, we have requested that counsel for the Monitor confirm the Monitor's agreement to extend the time for delivering Mr. Aceto's Notice of Dispute. This letter and the enclosed Notice of Dispute are being delivered further to that request.

To ensure that future correspondence is brought promptly to our attention, we ask that all correspondence from the Monitor be sent to my attention as well as Jonathan Preece, whose contact information is listed below.

Yours truly,

Alistair Crawley

AC/sf

CC: Jonathan Preece (JPreece@cmblaw.ca)

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

Name of Creditor: Peter Aceto

Pursuant to the order of the Honourable Mr. Justice Hainey dated May 8, 2020, I/we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number **EY034** and dated **July 24 2020** issued by Ernst & Young Inc. in its capacity as Monitor of the Applicants in respect of our Claim.

Reasons for Dispute:

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

Please see the enclosed Schedule "A".

Signature of Individual completed the Dispute Notice: AC

(Please print name): Alistair Crawley and Jonathan Preece

Date: August 17, 2020 Email Address: ACrawley@cmblaw.ca; and JPreece@cmblaw.ca

Telephone Number: (416) 217-0806 Fax Number: (416) 217-0220

Full Mailing Address: 800-179 John Street, Toronto, ON, M5T 1X4

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

Address and numbers for service of Notices of Dispute:

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

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

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

Schedule "A"

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

NOTICE OF DISPUTE OF PETER ACETO

1. Peter Aceto ("**Aceto**") disputes the Notice of Revision or Disallowance of CannTrust Holdings Inc. ("**CannTrust**") dated July 24, 2020 (the "**Notice of Disallowance**").

2. Aceto disagrees with the alleged facts supporting Aceto's termination for cause as set out in Schedule "A" to the Notice of Disallowance. Aceto repeats and relies on the allegations in Aceto's Pre-Filing Claim dated June 22, 2020 (the "**Pre-Filing Claim**") and seeks the full amount of that claim.

3. In addition, in response to the allegation that CannTrust made false attestations to Stenocare A/S regarding the company's use of pesticides, Aceto denies that he knew or ought to have known that such attestations were false at the time they were signed by Aceto.

4. Based on the foregoing and the particulars of Aceto's Pre-Filing Claim, Aceto denies that CannTrust had cause to terminate Aceto's employment at common law or pursuant to the terms of Aceto's Employment Agreement.

5. Aceto specifically denies that CannTrust was entitled to terminate Aceto for cause pursuant to s. 6.2 of Aceto's Employment Agreement. CannTrust did not have reasonable grounds to believe that Aceto was guilty of misconduct or negligence or was in breach of his Employment Agreement. In the circumstances, there was simply no justification for CannTrust's decision to terminate Aceto's employment for cause.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17 day of August, 2020.

Alistair Crawley

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
acrawley@cmblaw.ca
Tel: 416.217.0806
Jonathan C. Preece (LSO#: 68873T)
jpreece@cmblaw.ca
Tel: 416.217.0897

Tel: 416.217.0110
Fax: 416.217.0220

Lawyers for the defendant
Peter Aceto

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF DISPUTE

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
acrawley@cmblaw.ca
Tel: 416.217.0806
Jonathan C. Preece (LSO#: 68873T)
jpreece@cmblaw.ca
Tel: 416.217.0897

Tel: 416.217.0110
Fax: 416.217.0220

Lawyers for the defendant
Peter Aceto

This is Exhibit "F" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 19TH
	)	
MR. JUSTICE HAINEY	)	DAY OF FEBRUARY, 2021

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

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

Applicants

ORDER
(Claims Officer)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order appointing the Honourable Frank J.C. Newbould, Q.C. as claims officer was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING (i) the Notice of Motion of the Applicants dated February 16, 2021, (ii) the affidavit of Greg Guyatt sworn February 16, 2021 (the "**Guyatt Affidavit**") and the exhibits thereto, and (iii) the Seventh Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated February 16, 2021 (the "**Seventh Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and such other counsel as were present as listed on the counsel slip, no one else appearing although duly served as appears from the affidavit of service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Seventh Report is

hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

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

CLAIMS OFFICER

3. **THIS COURT ORDERS** that the appointment of the Honourable Frank J.C. Newbould, Q.C. as claims officer (the "**Claims Officer**") in accordance with paragraph 32 of the Claims Procedure Order is hereby approved and the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to the Claims Officer by the Monitor in accordance with the Claims Procedure Order.

4. **THIS COURT ORDERS** that the Claims Officer shall be empowered to determine the process by which evidence may be brought before the Claims Officer as well as any other procedural matters which may arise in respect of the determination of any Claim. For greater certainty, the Claims Officer shall be empowered to direct that the proceedings to determine two or more Claims be consolidated, or heard at the same time or one immediately after the other, if it appears to the Claims Officer that: (i) the proceedings have a question of law or fact in common; (ii) the Claims arise out of the same transaction or occurrence or series of transactions or occurrences; or (iii) for any other reason such a direction ought to be made.

5. **THIS COURT ORDERS** that the Applicants shall pay the reasonable professional fees and disbursements of the Claims Officer on presentation and acceptance of invoices from time to time. The Claims Officer shall be entitled to a reasonable retainer against the Claims Officer's fees and disbursements which shall be paid upon request by the Applicants, with the consent of the Monitor.

DIRECTIONS

6. **THIS COURT ORDERS** that the Monitor, the Applicants and the Claims Officer may, at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Order.

GENERAL

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

8. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

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

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

Hainey J

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Claims Officer)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
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Fax: 416-868-0673

James Gage LSO#: 34676I
Tel: 416-601-7539
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Trevor Courtis LSO#: 67715A
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Email: tcourtis@mccarthy.ca

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

Lawyers for the Applicants

This is Exhibit "G" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

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

PROCEDURAL ORDER NO. 1
(Claims Officer)

[1] This will confirm the orders and directions made today in the conference with all counsel and the Monitor.

[2] The claims of Peter Aceto, Eric Paul and Kenneth Brady Green ("together the Claimants") will be heard together in the claims trial.

[3] CannTrust Holdings Inc. and CannTrust Inc. (together "CannTrust") shall have the onus of proof in these claims.

[4] Any documentary requests by the Claimants shall be made to CannTrust by March 4, 2021. The request must be proportionate and be as specific as possible. CannTrust shall respond to the requests quickly.

[5] CannTrust shall deliver its affidavit evidence by March 5, 2021. The Claimants shall deliver their affidavit evidence by March 19, 2021. CannTrust shall deliver any reply affidavit evidence by March 26, 2021.

[6] Counsel for CannTrust and for Kenneth Brady Green shall confer regarding further pleadings. Any pre-trial issues arising in that claim may be dealt with by a further conference to be co-ordinated by the Monitor.

[7] There will be no cross-examination on any affidavits prior to the trial of the claims.

[8] If any of the Claimants intend to call evidence of persons whom they are not able to obtain a sworn affidavit, they are to identify such witnesses by March 29, 2021 and provided anticipated subject matters of their evidence to be given at the trial.

[9] The trial is scheduled for April 5, 6, 7, 12, 13, 14, and 15, 2021. It shall be a virtual trial conducted with the assistance of Arbitration Place.

[10] Any further issues may be dealt with by further conferences to be co-ordinated by the Monitor.

The Honourable Frank J.C. Newbould, Q.C.

Date: February 25, 2021

This is Exhibit "H" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

Crawley MacKewn Brush LLP
corporate and securities litigation

Suite 800 - 179 John Street
Toronto, Ontario M5T 1X4
Phone: 416.217.0110
Fax: 416.217.0220
Web: www.cmblaw.ca

Alistair Crawley
416.217.0806
ACrawley@cmblaw.ca

March 4, 2021

Sent via Email

Paul R. Steep and Shane D'Souza
McCarthy Tetrault LLP
Suite 5300 – TD Bank Tower
66 Wellington Street West
Toronto ON M5K 1E6

Dear Counsel:

Re: 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-00638930-00CL

We write on behalf of Peter Aceto and in respect of Procedural Order No. 1, made by The Honourable Frank J.C. Newbould, Q.C. in his capacity as a court appointed Claims Officer on February 25, 2021. Please find enclosed Mr. Aceto's Request for Documents and Particulars, which is hereby delivered in accorded with Procedural Order No. 1.

Despite the highly publicized nature of his termination, CannTrust has never disclosed to Mr. Aceto the reasons for his termination or the facts upon which that decision was reached. According to his termination letter, Mr. Aceto was terminated for "reasons relating to [his] conduct and the current circumstances of CannTrust". No further particulars have been provided. Similarly, CannTrust has never provided Mr. Aceto with its reasons for denying his claim for indemnification for the various claims made against Mr. Aceto and the Company following his termination. We note that the Company's Notice of Disallowance in respect of Mr. Aceto's Pre-Filling Proof of Claim is bereft of any such details.

As you may appreciate, this lack of information has put Mr. Aceto in the precarious position of having to surmise the reasons for his termination from CannTrust's public disclosures, related media coverage, and the very limited documents that are available to Mr. Aceto. In order to address this asymmetry of information, Mr. Aceto's enclosed Request for Documents and Particulars is necessarily broad and comprehensive.

In the circumstances, we view each of the requests made in the enclosed Request for Documents and Particulars as being both relevant and proportionate to the issues in dispute.

Yours truly,

Alistair Crawley

*smj
Encs.

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

REQUEST FOR DOCUMENTS AND PARTICULARS

Peter Aceto ("**Aceto**") makes the following request for documents and particulars from the Applicants CannTrust Holdings Inc. CannTrust Inc. ("**CannTrust**"), CTI Holdings (Osoyoos) Inc., and Elmcliffe Investments Inc. pursuant to the Claims Officer Order of Justice Hainey dated February 19, 2021, and the Procedural Order No. 1 of the Claims Officer, The Honourable Frank J.C. Newbould, Q.C., dated February 25, 2021.

1. All emails sent from or received by Aceto using his CannTrust email account during his tenure at CannTrust.

2. With respect to the decision made by the CannTrust Board of Directors to terminate Aceto's employment:

   a) full particulars of the basis upon which the Board of Directors made the decision to terminate Aceto's employment;

b) copies of all emails, letters, texts, and other written or electronic communication to or from members of the Board of Directors and referable or related to:

   i. the appointment of the Special Committee, the Investigation, and/or findings/recommendations of the Special Committee; and

   ii. the Board of Directors' decision to terminate Aceto's employment and/or the basis upon which that decision was made.

c) copies of all documents that were reviewed by the Board of Directors and/or informed the Board of Directors' decision to terminate Aceto's employment;

d) all meeting minutes and resolutions of the Board of Directors referable or related to the Special Committee, the Investigation, and/or the Board of Directors' decision to terminate Aceto's employment; and

e) full particulars of the advice that CannTrust's Board of Directors received and relied upon from external consultants and advisors and copies of all related reporting letters and correspondence (subject to privilege).

3. With respect to CannTrust's decision to deny Aceto's claim for indemnification:

a) full particulars of the basis upon which CannTrust made the decision to deny Aceto's claim for indemnification;

b) copies of all emails, letters, texts, and other written or electronic communication to or from members of the Board of Directors and referable or related to the decision to deny Aceto's claim for indemnification;

c) copies of all documents that were reviewed by CannTrust and/or informed CannTrust's decision to deny Aceto's claim for indemnification;

d) all meeting minutes and resolutions of the Board of Directors referable or related to CannTrust's decision to deny Aceto's claim for indemnification; and

e) full particulars of the advice that CannTrust's Board of Directors received and relied upon from external consultants and advisors and copies of all related reporting letters and correspondence (subject to privilege).

4. With respect to CannTrust's licences and amendments thereto for the Niagara Facility and the Vaughan Facility under the *Cannabis Act*, S.C. 1018, c. 16 and regulation and the predecessor *Access to Cannabis for Medical Purses Act Regulations*:

a) the names of all individuals who were named as responsible designated persons with Health Canada or were otherwise responsible for completing and submitting all licence and licence amendment applications on behalf of CannTrust in respect of the Vaughan Facility and/or Niagara Facility;

b) all licence and licence amendment applications submitted by or on behalf of CannTrust in respect of the Vaughan Facility and/or Niagara Facility;

c) all approvals by Health Canada of the licence and licence amendment applications submitted by or on behalf of CannTrust in respect of the Vaughan Facility and/or Niagara Facility; and

d) all correspondence to and from CannTrust (including employees, members of Senior Management, and members of the Board of Directors) and Health Canada regarding CannTrust's licence and licence amendment applications for the Vaughan Facility and Niagara Facility and Health Canada's review, rejection, and/or approval thereof.

5. With respect to the use of growing rooms at the CannTrust Niagara Facility prior to CannTrust receiving the necessary licence amendments from Health Canada, full particulars on:

a) when the decision to move cannabis plants into growing rooms prior to CannTrust receiving the necessary licence amendments from Health Canada was made;

b) who made the decision to move cannabis plants into growing rooms prior to CannTrust receiving the necessary licence amendments from Health Canada;

c) who, among CannTrust Board Members and Senior Management were aware of the and/or approved the decision to move cannabis plants into growing rooms prior to CannTrust receiving the necessary licence amendments from Health Canada;

d) when did CannTrust's Board of Directors and/or Senior Management become aware of growing rooms being used at the Niagara Facility prior to CannTrust receiving the necessary licence amendments from Health Canada; and

e) how did CannTrust's Board of Directors and/or Senior Management become aware of growing rooms being used at the Niagara Facility prior to CannTrust receiving the necessary licence amendments from Health Canada;

f) when did CannTrust's Board of Directors and/or Senior Management become aware that cannabis that was cultivated in unlicensed growing rooms had been reported to CannTrust's auditors, underwriters or the public as forming part of CannTrust's stated inventory, biological assets, or revenue; and

g) how did CannTrust's Board of Directors and/or Senior Management become aware that cannabis that was cultivated in unlicensed growing rooms had been reported to CannTrust's auditors, underwriters or the public as forming part of CannTrust stated inventory and/or biological assets.

6. With respect to CannTrust's importation, purchase, and use of cannabis seeds, full particulars on:

a) CannTrust's importation, purchase, and/or use of any "black market" or otherwise illicit cannabis seeds;

b) when the decision to import, purchase, and/or use of "black market" seeds was made by CannTrust;

c) who, on behalf of CannTrust's Board of Directors and/or Senior Management, made the decision to import, purchase, and/or use of "black market" seeds;

d) who, among CannTrust Board Members and Senior Management were aware of CannTrust's importation, purchase, and/or use of "black market" cannabis seeds;

e) when did CannTrust's Board of Directors and/or Senior Management become aware of CannTrust's importation, purchase, and/or use of "black market" cannabis seeds; and

f) how did CannTrust's Board of Directors and/or Senior Management become aware of CannTrust's importation, purchase, and/or use of "black market" cannabis seeds.

7. With respect to the Special Committee (the "**Special Committee**") of independent directors of CannTrust, which was appointed pursuant to the Resolution of the Board of Directors of CannTrust dated July 7, 2019, and the Special Committee's investigation into CannTrust's non-compliance with Health Canada regulations (the "**Investigation**"):

a) All reports, recommendations and findings of the Special Committee and all documents referenced therein;

b) All meeting and interview notes, transcripts or recordings of the Special Committee's taken during the course of its Investigation;

c) All material documents that were identified and/or reviewed by the Special Committee in the course of its Investigation;

d) All emails, letters, texts, and other written or electronic communication to or from members of the Special Committee regarding the Investigation; and

e) All meeting minutes and resolutions of the Special Committee.

8. With respect to the Production Committee of CannTrust and all present and past members of the Production Committee:

a) the names of all past and/or present members of the Production Committee;

b) copies of all Production Committee minutes and resolutions prior to and during Aceto's tenure at CannTrust; and

c) copies of all emails, letters, texts, and other written or electronic communication to or from members of the Production Committee referable or related to the decision to use growing rooms at the CannTrust Niagara Facility prior to receiving the necessary licence amendments from Health Canada.

9. With respect to the Audit Committee of CannTrust and all present and past members of the Audit Committee and the audit of CannTrust that was completed by KPMG Inc. (the "**Auditor**"):

a) full particulars on who among CannTrust's Audit Committee, Board of Directors, and/or Senior Management was responsible for reporting to and/or communicating with CannTrust's Auditor;

b) full particulars on how the cannabis that was cultivated in unlicensed growing rooms was reported and/or explained to the Auditors;

c) full particulars on how the status and timeline of the submission, review and approval of CannTrust's licence applications was reported to the Auditors;

d) full particulars on when and how the importation, purchase, and/or use of any "black market" or otherwise illicit cannabis seeds by CannTrust was disclosed to the Auditors;

e) full particulars of any site visits to the Niagara Facility and the/or the Vaughan Facility attended by the Auditors including when such visits took place and who was in attendance;

f) copies of all reporting letters from CannTrust's previous auditors to KPMG following KPMG's appointment as CannTrust's auditor;

g) copies of all reports from the Auditor to the Audit Committee, Board of Directors, and the Senior Management of CannTrust;

h) copies of all reports from the Audit Committee, Board of Directors, and/or Senior Management of CannTrust to the Auditor;

i) copies of all Audit Committee meeting minutes and resolutions during Aceto's tenure at CannTrust; and

j) copies of all emails, letters, texts, and other written or electronic communication to or from CannTrust (including members of the Audit Committee, the Board of Directors, and Senior Management) and the Auditor regarding its audit of CannTrust.

10. With respect to CannTrust's underwriters at Merrill Lynch, Piece, Fenner & Smith Incorporated, Merrill Lynch Canada Inc., Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (USA) LLC, Credit Suisse Securities, Credit Suisse Securities (Canada) Inc., RBC Dominion Securities Inc., Jefferies LLC, Jefferies Securities Inc., Canaccord Genuity LLC, and Canaccord Genuity Corp. (the "**Underwriters**"):

a) full particulars on who among CannTrust's Board of Directors and/or Senior Management was responsible for coordinating with the Underwriters in respect of the underwriters' due diligence and CannTrust's public offerings;

b) full particulars on how the cannabis that was cultivated in unlicensed growing rooms was reported and/or explained to the Underwriters;

c) full particulars on how the status and timeline of the submission, review and approval of CannTrust's licence applications was reported to the Underwriters;

d) full particulars on when and how the importation, purchase, and/or use of any "black market" or otherwise illicit cannabis seeds by CannTrust was disclosed to the Underwriters;

e) full particulars on who among CannTrust's Board of Directors and/or Senior Management attended due diligence meetings/calls with the Underwriters;

f) full particulars of any site visits to the Niagara Facility and the/or the Vaughan Facility attended by any of the Underwriters including when such visits took place and who was in attendance;

g) minutes and/or notes of all interviews conducted by the Underwriters in connection with their due diligence efforts including the interview conducted with Eric Paul;

h) copies of any affidavits, acknowledgments, or attestations signed by members of the Board of Directors or Senior Management of CannTrust, including Eric Paul, in connection with the Underwriters due diligence;

i) copies of all reports from the Underwriters to CannTrust (including the Board of Directors and the Senior Management of CannTrust) related to the Underwriters due diligence and CannTrust's public offering;

j) copies of all meeting minutes and resolutions of the Board of Directors regarding the Underwriters due diligence and CannTrust's public offering; and

k) copies of all emails, letters, texts, and other written or electronic communication to or from CannTrust (including members of the Audit Committee, the Board, and Senior Management) and the Underwriters regarding their due diligence.

11. With respect to the Press Release of CannTrust dated July 25, 2019, which announced Aceto's termination and stated: "*The investigation into the Company's non-compliance with Health Canada regulations and ancillary matters <u>uncovered new information that has resulted in a determination by the Board to terminate [Aceto] with caus</u>*<u>e</u> […] *<u>Based on new information uncovered by the investigation, the Company made a voluntary disclosure to Health Canada</u>*.":

a) full particulars on the "new information" referenced in the above Press Release, how/when that information was discovered, and how this information resulted in the determination to terminate Aceto's employment;

b) all documents related or referable to the "new information" that is referenced in the above Press Release and purportedly resulted in the decision of the Board to terminate Aceto' employment; and

c) all documents related or referable to the "new information" that is referenced in the above Press Release and purportedly caused CannTrust to make a voluntary disclosure to Health Canada.

12. Without limiting the generality of the foregoing, all emails, letters, texts and other written or electronic communications to or from any employees, members of the Board of Directors, and/or Senior Management of CannTrust including but not limited to the following individuals and related or referrable to the issues in sub-paragraphs (a) to (h) below: Stanley Abramowitz, Ian Abramowitz, Mark Litwin, Fred Litwin, Eric Paul, Robert Marcovitch, Mitchell Sanders, Mark Dawber, Michael Ravensdale, Graham Lee, Brady Green, Chris Lucky, Michael Camplin, Lea Romanelli, Taryn Garner, Breann Rogers, Brad Rogers, Andrea Kirk, Alana Platt, Cameron Fletcher, Emil Tarrent, and Nick Lalonde:

a) the use of cannabis growing rooms at the CannTrust Niagara Facility prior to the necessary licence amendments having been approved by Health Canada;

b) the orchestration and use of staged photographs in growing rooms at the Niagara Facility by Health Canada employees for submission to Health Canada;

c) the timing and use of growing rooms at the Niagara Facility relative to the submission, review, and approval of the necessary amendments to CannTrust's licence by Health Canada;

d) the use of storage rooms at the CannTrust Vaughan Facility prior to the necessary licences having been approved by Health Canada;

e) compliance deficiencies and/or findings of non-compliance by Health Canada with respect to the Vaughan Facility and/or the Niagara Facility prior to and during Aceto's tenure at CannTrust;

f) all audits and audit reports of Health Canada in respect of the Niagara Facility and the Vaughan Facility;

g) the importation, purchase, sale, and/or use by CannTrust of “black market” or otherwise illicit cannabis seeds; and

h) any other matter relevant to the termination of Aceto’s employment and CannTrust’s refusal to indemnify Aceto.

13. Any other documents relevant to CannTrust’s termination of Aceto’s employment and CannTrust’s refusal to indemnify Aceto.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 4th day of March, 2021.

Jonathan Preece

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Lawyers for the defendant
Peter Aceto

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

REQUEST FOR DOCUMENTS AND PARTICULARS

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Lawyers for the defendant
Peter Aceto

This is Exhibit "I" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

Crawley MacKewn Brush LLP
corporate and securities litigation

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Alistair Crawley
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March 8, 2021

Sent by Email

The Honourable Frank J.C. Newbould Q.C.
Thornton Grout Finnigan LLP
TD West Tower
100 Wellington Street West

Dear Mr. Newbould:

**Re: 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*. ("CannTrust")
Court File No.: CV-00638930-00CL**

I am writing to advise that Mr. Aceto is withdrawing his claim for damages for wrongful dismissal and indemnification for legal fees submitted by Proof Claim on June 22, 2020 and disallowed by the Monitor on July 24, 2020: Reference EY034. CannTrust initiated the adjudication process with Your Honour on February 25, 2021 after reaching a settlement with the plaintiffs in the Securities Class Actions. A summary trial to determine Mr. Aceto's claim has been scheduled to commence on April 5, 2021. In our view this time frame is not adequate to fairly litigate the matters in issue and consequently the claim is being withdrawn.

The withdrawal of Mr. Aceto's claim is in no way an admission that CannTrust was justified in terminating his employment for cause or in refusing him indemnification. Mr. Aceto will address CannTrust's allegations in the context of his defence of the Securities Class Actions, which pursuant to CannTrust's settlement with the plaintiffs, will continue against all non-settling defendants. The withdrawal of this claim is therefore expressly without prejudice to Mr. Aceto's ability to make full answer and defence to the allegations in those proceedings, including challenging the basis for CannTrust's dismissal of Mr. Aceto.

We thank you for your assistance with this matter to date.

Yours truly,

Alistair Crawley
March 2021
c. Paul Steep, Shane D'Souza (*McCarthy Tétrault LLP*)

This is Exhibit "J" referred to in the Affidavit of Jonathan Preece
sworn June 4, 2021.

Commissioner for Taking Affidavits (or as may be)

Insider transaction detail - View details for insider

2020-12-04 12:30 ET

Transactions sorted by : Insider
Insider family name : Aceto (Exact match)
Equity securities : American Depository Receipts, Common Shares, Convertible Preferred Shares, Exchangeable Shares, General Partnership Units, Instalment Receipts, Limited Partnership Units, Multiple Voting Shares, Non-Voting Shares, Participation Units, Preferred Shares, Special Shares, Subordinate Voting Shares, Trust Units, Units, Other
Issuer derivatives : Options, Rights, Special Warrants, Subscription Rights, Warrants, Other
Issuer industry classification: Consumer products - biotechnology/pharmaceuticals, Consumer products - breweries and beverages, Consumer products - distilleries, Consumer products - food processing, Consumer products - household goods, Consumer products - packaging products, Consumer products - tobacco, Miscellaneous, Other

Insider name: Aceto, Peter

Legend: O - Original transaction, A - First amendment to transaction, A' - Second amendment to transaction, AP - Amendment to paper filing, etc.

Insider's Relationship to Issuer: 1 - Issuer, 2 - Subsidiary of Issuer, 3 - 10% Security Holder of Issuer, 4 - Director of Issuer, 5 - Senior Officer of Issuer, 6 - Director or Senior Officer of 10% Security Holder, 7 - Director or Senior Officer of Insider or Subsidiary of Issuer (other than in 4,5,6), 8 - Deemed Insider - 6 Months before becoming Insider.

Warning: The closing balance of the " equivalent number or value of underlying securities" reflects the" total number or value of underlying securities" to which the derivative contracts held by the insider relate. This disclosure does not mean and should not be taken to indicate that the underlying securities have, in fact, been acquired or disposed of by the insider.

Transaction ID	Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities

Issuer name: CannTrust Holdings Inc.

Insider's Relationship to Issuer: 5 - Senior Officer of Issuer

Ceased to be Insider: 2019-07-25

Transaction ID	Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities
Security designation: Common Shares													
3246487	2018-10-01	2018-10-04	Direct Ownership :	00 - Opening Balance-Initial SEDI Report									
3372641	2019-05-15	2019-05-25	Direct Ownership :	10 - Acquisition or disposition in the public market	+3,177	8.2400	3,177						
3372642	2019-05-15	2019-05-25	Direct Ownership :	10 - Acquisition or disposition in the public market	+2,900	8.2600	6,077						
3372643	2019-05-15	2019-05-25	Direct Ownership :	10 - Acquisition or disposition in the public market	+6,000	8.2800	12,077						
3248578	2018-10-01	2018-10-09	Indirect Ownership : Sylvia Sutej	00 - Opening Balance-Initial SEDI Report									
3248579	2018-10-05	2018-10-09	Indirect Ownership : Sylvia Sutej	10 - Acquisition or disposition in the public market	+16,666		16,666						
Security designation: Options (Common Shares)													
3246490	2018-10-01	2018-10-04	Direct Ownership :	00 - Opening Balance-Initial SEDI Report							Common Shares		
3248641	2018-10-09	2018-10-09	Direct Ownership :	50 - Grant of options	+1,000,000		1,000,000		11.8800	2025-10-03	Common Shares	+1,000,000	1,000,000
Security designation: Warrants (Common Shares)													

Transaction ID	Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities
3246491	2018-10-01	2018-10-04	Direct Ownership :	00 - Opening Balance-Initial SEDI Report							Common Shares		

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
Applicant

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

ONTARIO
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COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF JONATHAN PREECE
(SWORN JUNE 4, 2021)

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Lawyers for the respondent

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
Applicant

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

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SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT TORONTO

RESPONDING MOTION RECORD OF THE RESPONDENT, PETER ACETO
(Returnable June 11, 2021)

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