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

*ONTARIO*
**SUPERIOR COURT OF JUSTICE**

**[Commercial List]**

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| THE HONOURABLE | FRIDAY, THE 17TH |
| MR. JUSTICE PENNY | DAY OF DECEMBER, 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.

# ORDER
## (Additional RSAs, Notice, and Claims Administration)

**THIS MOTION** made by the CCAA Representatives for an order authorizing the Additional RSAs and ancillary agreements, approving the notice plan, and appointing the notice and claims administrator was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

**UPON READING** the materials filed by the CCAA Representatives and on hearing the submissions of counsel to the CCAA Representatives, the Applicants, the Monitor, and any such other counsel that were present as listed on the counsel slip, no appearing for any other person on the service list, although duly properly served as appears from the affidavit of service, filed:

## A. SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of this motion and materials be and are hereby validated, such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not expressly defined herein shall have the meanings given to them in the fourth amended and restated plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated July 7, 2021 ("**CCAA Plan**").

## B. SETTLEMENT AND SECURITIES CLAIMANT TRUST MATTERS

3. **THIS COURT ORDERS** that the Applicants and the CCAA Representatives are hereby authorized, *nunc pro tunc*, to enter into the Aceto Settlement, the ABC Settlement, the ABC Settlement Supplement, the DIC Settlement, and the Abramowitz Settlement Supplement, all as defined in the Affidavit of Serge Kalloghlian, affirmed December 6, 2021 and the Confidential Affidavit of Serge Kalloghlian, affirmed December 6, 2021.

4. **THIS COURT ORDERS** that the Confidential Affidavit of Serge Kalloghlian sworn December 6, 2021 and the exhibits thereto shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

5. **THIS COURT ORDERS** that the Trustees, and without limitation to the terms of the CCAA Representation Order, the CCAA Representatives and CCAA Representative Counsel are hereby authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the Aceto Settlement, the ABC Settlement, the ABC Settlement

Supplement, the DIC Settlement, and the Abramowitz Settlement Supplement in accordance and subject to their respective terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the respective terms and conditions of the Aceto Settlement, the ABC Settlement, the ABC Settlement Supplement, the DIC Settlement, and the Abramowitz Settlement Supplement.

6. **THIS COURT ORDERS** that the Trustees, CCAA Representatives and CCAA Representative Counsel shall incur no liability or obligation as a result of carrying out the work described at paragraph ~~4~~ 5 of this Order, save and except for any gross negligence or wilful misconduct on their part.

## B. TRUST ADMINISTRATION

7. **THIS COURT ORDERS** that the Cash Contributions paid pursuant to the CCAA Plan to the Securities Claimant Trust ("**Class Settlement Amount**") be held in a trust account ("**Trust Account**") for the benefit of the Securities Claimants.

8. **THIS COURT ORDERS** that Epiq Class Action Services is appointed as the "**Claims Administrator**" to administer the Allocation and Distribution Scheme and to manage the Trust Account under the direction of the Trustees or their successors.

9. **THIS COURT ORDERS** that the Claims Administrator, at the direction of the Trustees or their successors, is authorized to disburse out of the Trust Account: (i) the Zola Payment (as defined in the Allocation and Distribution Scheme); (ii) fees, disbursements, expenses, costs and taxes of CCAA Representative Counsel as approved by the Court; (iii) all fees, disbursements,

expenses, costs, taxes, any other amounts incurred or payable relating to approval, implementation and administration of all settlements and recoveries obtained by CCAA Representatives and CCAA Representatives for the benefit of Securities Claimants including, without limitation, the costs, fees, disbursements, taxes and expenses of notice to Securities Claimants and the fees, expenses, costs disbursements and taxes paid to the Claims Administrator for fulfilling its mandate, and any other fees and expenses ordered by the Courts; (iv) any other payments, fees, disbursements, expenses, costs, taxes payable pursuant to the terms of the RSA, an Additional RSA, related agreement and/or the CCAA Plan, including without limitation the agreements listed at paragraph 3 of this order; (v) payments as are reasonably necessary to pay reasonable and necessary administrative expenses of the Securities Claimant Trust (including costs of professionals retained thereby and banking costs), and any taxes imposed on the Securities Claimant Trust or Securities Claimant Trust Assets (together, the "**Authorized Disbursements**").

10. **THIS COURT ORDERS** that the amount of the "**Holdback**" as defined in the Allocation and Distribution Scheme may not exceed $10,000,000.00.

11. **THIS COURT ORDERS** that the Claims Administrator is authorized to distribute the Class Settlement Amount, plus any accrued interest and net of the Authorized Disbursements and Holdback ("**Class Compensation Fund**") in accordance with the Allocation and Distribution Scheme.

12. **THIS COURT ORDERS** that the Claims Administrator, at the direction of the Trustees or their successors, is authorized to distribute funds from the Holdback for the purposes described in the Affidavit of Serge Kalloghlian, affirmed December 6, 2021, and for any other purpose permitted by the Declaration of Trust and Agreement.

13. **THIS COURT ORDERS** that (i) the "**Claim Form**" for the purpose of the Allocation and Distribution Scheme substantially in the form attached as Schedule "A" is hereby approved; and (ii) the Claims Administrator may modify the Claim Form as necessary or desirable for the purpose of allowing claims to be filed electronically.

14. **THIS COURT ORDERS** that the deadline for claims to be filed pursuant to paragraph 4 of the Allocation and Distribution Scheme is March 16, 2022.

## C. NOTICE

15. **THIS COURT ORDERS** that the notice to the Securities Claimants of the settlements and of the claims filing procedures and deadline ("**Notice**"), substantially in the form attached hereto as Schedule "B" is hereby approved.

16. **THIS COURT ORDERS** that the plan of disseminating the Notice ("**Notice Plan**") attached hereto as Schedule "C" is hereby approved.

17. **THIS COURT ORDERS** that the Claims Administrator is appointed to distribute the Notice in accordance with the Notice Plan.

18. **THIS COURT ORDERS** that there will be no costs on this motion.

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