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

(Stay Extension and Sale Approval Orders)
(Returnable January 31, 2022)

January 25, 2022

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

James D. Gage LSO#: 34676I
Tel: (416) 601-7539
E-mail: jgage@mccarthy.ca

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

INDEX

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

(Stay Extension and Sale Approval Orders)
(Returnable January 31, 2022)

INDEX

TAB 1

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

NOTICE OF MOTION
(Stay Extension and Sale Approval Orders)
(Returnable January 31, 2022)

The Applicants will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on January 31, 2022 at 11:00 a.m., or as soon after that time as the motion can be heard, by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic. Please refer to the conference details attached as Schedule "A" hereto in order to attend. Please advise if you intend to join the motion by emailing Natasha Rambaran at nrambaran@mccarthy.ca.

PROPOSED METHOD OF HEARING: The motion is to be heard by Zoom.

THE MOTION IS FOR:

(a) an order substantially in the form of the draft order included at Tab 3 of the Motion Record of the Applicants, among other things, extending the Stay Period (defined below) to and including February 28, 2022 (the "**Proposed Stay Extension Period**")

(b) two orders approving transactions to realize upon certain investments that are considered surplus assets and vesting such assets in the purchasers: (i) in the form of the draft order included at Tab 4 of the Motion Record of the Applicants (the "**Grey Wolf Approval and Vesting Order**"); and (ii) in the form of the draft order included at Tab 5 of the Motion Record of the Applicants (the "**Cannatrek Approval and Vesting Order**"); and

(c) such other relief as counsel may request and this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. The facts in support of this motion are set out in the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"). For ease of reference, the Applicants will be collectively referred to herein as the "**CannTrust Group.**"[1] All capitalized terms used and not otherwise defined herein have the meanings given to them in the Guyatt Affidavit.

Background

2. On March 31, 2020, the CannTrust Group sought and obtained relief from the CCAA Court pursuant to an initial order made under the CCAA (as amended and restated from time to time, the "**Initial Order**") that, among other things, imposed a stay of proceedings, up to and including April 9, 2020 (the "**Stay Period**").

3. Facilitated by the relief granted in the Initial Order, the CannTrust Group has successfully completed many of its objectives, including developing the CCAA Plan, which was overwhelmingly approved by each of the four classes of Affected Creditors in May 2021 and

[1] As a result of the CCAA Plan implementation and as discussed below, CTI Holdings (Osoyoos) Inc. is no longer subject to the CCAA proceedings.

sanctioned by the Court on July 16, 2021.

4. Notwithstanding the significant progress made by the CannTrust Group in these CCAA proceedings, including the implementation of the CCAA Plan, the CannTrust Group is experiencing a liquidity shortfall resulting from challenges facing the Canadian cannabis industry generally, and challenges facing the CannTrust Group specifically.

5. The CannTrust Group is having ongoing discussions with potential investors and strategic partners regarding a financing or sale transaction to facilitate the continued operations of its businesses (a "**Going-Concern Transaction**"); however, no definitive agreement has been reached at this time.

Stay Extension

6. The Stay Period has been extended a number of times. Most recently, on December 16, 2021, the Court granted an order, among other things, extending the Stay Period to January 31, 2022.

7. The order granted on December 16, 2021 also included other relief to enable the CannTrust Group to continue to pursue a Going-Concern Transaction after implementation of its CCAA Plan, and, if that is not an achievable outcome, then to conduct an orderly wind-down and sale process

8. In light of the ongoing discussions with multiple interested parties regarding a potential Going-Concern Transaction, as well as discussions with the DIP and Exit Lender and the Monitor, the CannTrust Group does not believe it is yet time to transition to an orderly wind-down, and believes a short extension of the Stay Period to and including February 28, 2022 is

necessary to bring the ongoing discussions to a conclusion.

9. The CannTrust Group in consultation with the Monitor and the DIP and Exit Lender, has considered its ability to continue to operate in the near term in light of its anticipated cash flow. A cash flow forecast running from January 17 to March 6, 2022 (the "**Cash Flow Forecast**"), will be appended to the Seventeenth Report of the Monitor, to be filed, and will demonstrate that the CannTrust Group will have sufficient liquidity to operate its business and meet its obligations during the Proposed Stay Extension Period.

10. As such, the CannTrust Group is seeking to extend the Stay Period to and including February 28, 2022.

11. The requested extension is necessary and appropriate in the circumstances to allow the CannTrust Group to, among other things:

(i) continue discussions with potential financing sources and strategic partners to determine if a Going-Concern Transaction can be consummated; and

(ii) in the alternative, continue to prepare a plan for and commence the wind-down of operations and a sale of assets.

12. The CannTrust Group has acted and continues to act in good faith and with due diligence. Among other things, in the short time since the Stay Period was last extended on December 16, 2021, the CannTrust Group has:

(i) successfully implemented the CCAA Plan;

(ii) diligently continued efforts to pursue refinancing arrangements and strategic options; and

(iii) successfully negotiated agreements to dispose of certain surplus property as described further below.

Grey Wolf and CannaTrek Transactions

13. Opco is the legal and beneficial owner of certain Shares and Debenture Units in Grey Wolf Animal Health Inc. ("**Grey Wolf**"). Grey Wolf is a private company that specializes in health and wellness-related pharmaceuticals, nutraceuticals and consumables for veterinary purposes in Canada.

14. Opco also owns 32,778,922 ordinary shares (the "**Cannatrek Option Shares**") in the capital of Cannatrek Limited ("**Cannatrek**"). Cannatrek is an Australian private company that specializes in research, cultivation, manufacturing and delivery of medical cannabis.

15. The CannTrust Group determined that its interests in Grey Wolf and Cannatrek are not required for its current or future operations. As both are minority interests in private companies, the opportunities to realize on such investments are limited.

16. With respect to the Grey Wolf Securities, the CannTrust Group determined that conducting a broad marketing process in respect of the Securities would have been impractical in light of the liquidity issues faced by the CannTrust Group, the nature of the Securities as a minority interest in a private company, and restrictions on trading the Securities (which require consent of the Grey Wolf board of directors or holders of voting shares). As a result, the CannTrust Group instead focused on negotiating the best possible transaction with the most

logical purchaser: a major shareholder of Grey Wolf.

17. With respect to the Cannatrek Option Shares, the CannTrust Group also determined that conducting a broad marketing process for the Cannatrek Option Shares would be impractical. Alternatives were also discussed with the CannTrust Group's financial advisor, Greenhill & Co. Canada Ltd., together with their Australian and Toronto professionals. However, those discussions did not produce any satisfactory alternative options that could be realized in the near term.

18. As a result of these discussions and the liquidity issues faced by the CannTrust Group relative to the time required to liquidate shares in an Australian private company, as well as the nature of the Cannatrek Option Shares as a minority interest in a private company, the CannTrust Group determined that the best course of action was to seek instead to negotiate the best possible arrangement for the disposition of the Cannatrek Option Shares with Cannatrek.

19. The Call Option Agreement gives the Optionholder an option to acquire the Cannatrek Option Shares at a price of AUS$0.20 per share in accordance with the terms of the Call Option Agreement, and to have the Cannatrek Option Shares transferred to him or a specified nominee. This enables the Optionholder to exercise the option as buyers are identified for the Cannatrek Option Shares, and to have such shares transferred to the buyers as his nominee. Opco will receive an Option Fee of $1,000 per 14 day period (the "**Option Fee**") during the Option Period (as defined in the Call Option Agreement), which will be credited against the exercise price otherwise payable.

20. The consideration and terms and conditions in each case are fair and reasonable:

(a) The purchase price of C$1,100,000 for the Grey Wolf Securities, and the terms and conditions of the Grey Wolf APS are fair and reasonable;

(b) The payment of the Option Fee and the consideration for the Cannatrek Option Shares, if all options are exercised, of approximately C$5,922,948 after payment of fees and transaction expenses, is a reasonable price for such assets in the circumstances. The terms and conditions of the Call Option Agreement are also fair and reasonable.

21. The CannTrust Group seeks approval of the Grey Wolf Approval and Vesting Order and the Cannatrek Approval and Vesting Order, which will enable the CannTrust Group to dispose of these surplus assets for a fair and reasonable price. This in turn will contribute liquidity to the CannTrust Group and facilitate its continued pursuit of a going concern outcome for the benefit of its stakeholders.

22. The DIP and Exit Lender consents to both the Grey Wolf Transaction and the Cannatrek Transaction and CannTrust Group is of the view that both transactions are in the best interest of the CannTrust Group and its stakeholders.

23. The Monitor also supports the approval of the Grey Wolf Approval and Vesting Order and the Cannatrek Approval and Vesting Order and the underlying transactions.

24. CannTrust also relies upon the following:

(a) section 11.02 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

(b) rules 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure* (Ontario), as amended; and

(c) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) the affidavit of Greg Guyatt sworn January 25, 2022;

(b) the Seventeenth Report of the Monitor, to be filed; and

(c) such further and other materials as counsel may advise and this Court may permit.

January 25, 2022

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

TO: SERVICE LIST

SCHEDULE "A"

Conference Details to join Motion via Zoom

Topic: CannTrust Holdings Inc. (Court File No. CV-20-00638930-00CL)

Time: January 31, 2022, 11:00 AM Eastern Time (US and Canada)

Join Zoom Meeting:
https://zoom.us/j/95086811899?pwd=ZzF6cHNCSHlrSUxobE9YYUROdk8wQT09

Meeting ID: 950 8681 1899

Passcode: 702750

Find your local number: https://zoom.us/u/adQONwV7eN

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 MOTION
(Stay Extension and Sale Approval Orders)
(Returnable January 31, 2022)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn January 25, 2022)

I, Greg Guyatt, of the City of Mississauga, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("**CEO**") of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since February 17, 2020. Prior to my appointment as CEO, I served as the Chief Financial Officer ("**CFO**") of CannTrust Holdings since joining CannTrust Holdings on or around February 19, 2019. I am a Chartered Professional Accountant and have more than 20 years of experience in the consumer packaged goods, retail, pharmaceutical and private equity sectors.

2. Through my current role as CEO and my former role as CFO of CannTrust Holdings, I am familiar with the operations, financial results and strategies of the Applicants. As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. For ease of reference, the Applicants will be collectively referred to herein as the "**CannTrust Group.**" All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the fourth amended and restated plan of compromise, arrangement and reorganization of CannTrust Holdings, CannTrust Inc. ("**Opco**") and Elmcliffe Investments Inc. dated July 7, 2021 (the "**CCAA Plan**"), a copy of which is attached hereto as **Exhibit "A"**. All dollar references herein are Canadian dollars unless otherwise referenced.

4. I swear this affidavit in support of the CannTrust Group's[1] motion for:

a) an order substantially in the form of the draft order included at Tab 3 of the Motion Record of the Applicants, among other things, extending the Stay Period (defined below) to and including February 28, 2022 (the "**Proposed Stay Extension Period**"); and,

b) two orders approving transactions to realize upon certain investments that are considered surplus assets and vesting such assets in the purchasers: (i) in the form of the draft order included at Tab 4 of the Motion Record of the Applicants (the "**Grey Wolf Approval and Vesting Order**"); and (ii) in the form of the draft order included at Tab 5 of the Motion Record of the Applicants (the "**Cannatrek Approval and Vesting Order**").

[1] As a result of the CCAA Plan implementation and as discussed below, CTI Holdings (Osoyoos) Inc. is no longer subject to the CCAA proceedings.

I. BACKGROUND

5. The CannTrust Group is a public company and licensed producer of cannabis in Canada.

6. Pursuant to regulatory audits of the CannTrust Group’s facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws. Subsequently, the CannTrust Group ceased sales and production of cannabis, its cannabis licences were partially suspended, and multiple putative securities class actions and other proceedings were commenced against it and other co-defendants in several provinces in Canada and at the federal and state level in the United States (the “**Actions**”).

7. Over the next eight or nine months following these events, the CannTrust Group undertook extensive efforts to address these challenges, led by a special committee of the Board that investigated the circumstances giving rise to the events and made recommendations to address them. Those recommendations included terminating the CEO of the CannTrust Group, demanding the resignation of the Chairman of the Board, taking steps to remediate the CannTrust Group’s facilities and operations to obtain the reinstatement of its licenses, and considering strategic alternatives.

8. Despite progress in implementing those recommendations, the situation facing the CannTrust Group by the end of March 2020 was still highly uncertain, and the Actions, in which over $500 million of claims had been asserted, remained outstanding.

(i) CCAA Proceedings

9. On March 31, 2020, the CannTrust Group sought and obtained relief from the CCAA Court pursuant to an initial order made under the CCAA (as amended and restated from time to time, the "**Initial Order**") that, among other things, imposed a stay of proceedings, up to and including April 9, 2020 (the "**Stay Period**"). A copy of the Initial Order, as amended and restated on April 9, 2020, is attached hereto as **Exhibit "B"**.

10. Facilitated by the relief granted in the Initial Order and as detailed in my other affidavits filed earlier in these proceedings, the CannTrust Group has successfully completed many of its objectives, including:

a) completing the remainder of its facilities remediation work;

b) obtaining the reinstatement of its licenses from Health Canada;

c) restructuring its operations, including down-sizing its workforce, disclaiming various agreements, and engaging with key contractual counterparties to renegotiate their existing arrangements;

d) resuming production and processing operations;

e) carrying out a robust court-approved marketing and solicitation process ("**SISP**"), although the SISP did not result in any executable proposals for a recapitalization or sale transaction;

f) reaching an agreement with the representative plaintiffs in the Ontario Class

Action and the U.S. Class Action (the lead class actions in Canada and the U.S., respectively) regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims after extensive negotiations facilitated by the Hon. Dennis O'Connor, Q.C. as court-appointed mediator;

g) reaching an agreement upon the terms of the CCAA Plan and, over time, reaching settlements with the Insurers and all other co-defendants in the Actions (except for KPMG LLP, which agreed on certain terms such that it was not opposed to the CCAA Plan); and

h) developing the CCAA Plan, which was overwhelmingly approved by each of the four classes of Affected Creditors in May 2021 and sanctioned by the Court on July 16, 2021.

(ii) Implementation of the CCAA Plan

11. The CCAA Plan has now been implemented. The implementation occurred on January 5, 2022. The CCAA Plan involved the following:

a) in relation to CannTrust Holdings and its Affected Creditors: (i) the payment in full of all General Unsecured Claims against CannTrust Holdings; (ii) Cash Contributions to a trust for the benefit of Securities Claimants, consisting of $50 million from CannTrust Holdings, $31 million from certain co-defendants, US $8 million from certain other co-defendants, and US $36.9 million from the Insurers; (iii) dismissal of the Actions as against CannTrust Holdings and the other Settlement Parties; and (iv) the release of CannTrust Holdings and the other Released Parties from the Released Claims;

b) in relation to the Affected Creditors of the other members of the CannTrust Group provided to the Monitor in trust, the amounts for: (i) the General Unsecured Creditors of Opco to receive distributions from the GUC Distribution Pool being established for them (with General Unsecured Creditors who are not Convenience Creditors recovering approximately 17% of their Proven Claims, and with Convenience Creditors – who have small claims – recovering more than that proportion of their Proven Claims); (ii) the sole General Unsecured Claim against Elmcliffe to be satisfied in full pursuant to payment arrangements agreed with the General Unsecured Creditor of Elmcliffe; and (iii) Unresolved GUC Claim Reserve.

12. Upon filing of the Monitor's Plan Implementation Certificate, the CCAA Proceedings in respect of CTI Holdings (Osoyoos) Inc. was terminated. CTI had no Proven Claims against it.

(iii)Liquidity Challenges and Ongoing Pursuit of a Going-Concern Transaction

13. Notwithstanding the significant progress made by the CannTrust Group in these CCAA proceedings and the implementation of the CCAA Plan, during the time that the CannTrust Group has been successfully taking these steps, the Canadian cannabis industry has faced well-publicized headwinds.

14. The CannTrust Group has also faced its own headwinds, with the consequence that the

rebuilding of its sales and revenue to reach positive cash flow is taking longer than expected despite its success getting its licenses reinstated and resuming operations. Among other things, upon reinstatement of the CannTrust Group's licences, the CannTrust Group needed to play 'catch-up' with its competitors and acquire and develop new products, which took time to execute.

15. Ultimately, the CannTrust Group successfully launched its new product offerings, which are now in the market and performing well, with sales growing significantly in the fourth quarter of 2021. However, the time required to create a compelling consumer offering of high THC products at a good price took longer than expected. As a result of ongoing costs during this extended period, the CannTrust Group is now experiencing a liquidity shortfall.

16. Among other things, after making the payments contemplated by the CCAA Plan, CannTrust Group's cash position is now tight. The DIP and Exit Lender has advanced $18,762,166 as of the date of this affidavit, and the DIP and Exit Loan is nearly fully drawn having regard to the borrowing base.

17. The CannTrust Group has taken incremental steps to conserve its remaining cash beyond the operational and restructuring changes made earlier in the CCAA process. These additional measures have included the layoff of approximately 40 employees, the renegotiation of certain material contracts, the sale of non-core assets and the deferral of discretionary investments, among other things. Although these changes improved the CannTrust Group's liquidity, cash is still very tight.

18. To address ongoing funding for Opco, despite the termination of the SISP, I have been

in discussions with potential investors and strategic partners regarding a financing or sale transaction to facilitate the continued operations of its businesses (a "**Going-Concern Transaction**"). Those discussions remain ongoing, but, to date, no definitive agreement has been reached on the terms of a potential transaction that could be brought forward for court approval.

II. STAY EXTENSION

19. The Stay Period has been extended a number of times. Most recently, on December 16, 2021, the Court granted an order, among other things, extending the Stay Period to January 31, 2022. A copy of that order is attached as **Exhibit "C"**.

20. The order granted on December 16, 2021 also included other relief to enable the CannTrust Group to continue to pursue a Going-Concern Transaction after implementation of its CCAA Plan, and, if that is not an achievable outcome, then to conduct an orderly wind-down and sale process.

21. In light of the ongoing discussions with multiple interested parties regarding a potential Going-Concern Transaction, as well as discussions with the DIP and Exit Lender and the Monitor, I do not believe it is yet time to transition to an orderly wind-down. I believe a short extension of the Stay Period to and including February 28, 2022 is necessary to bring the ongoing discussions to a conclusion.

22. In that regard, consultation among the CannTrust Group management, the Monitor and the DIP and Exit Lender has been ongoing to consider the ability of the CannTrust Group to continue to operate in the near term in light of its anticipated cash flow.

23. I understand that a cash flow forecast running from January 17 to March 6, 2022, will be appended to the Seventeenth Report of the Monitor, to be filed, and will demonstrate that the CannTrust Group will have sufficient liquidity to operate its business and meet its obligations during the Proposed Stay Extension Period.

24. As set out herein and in the previous affidavits sworn in these proceedings, the CannTrust Group has acted and continues to act in good faith and with due diligence. Among other things, in the short time since the Stay Period was last extended on December 16, 2021, the CannTrust Group has:

(a) successfully implemented the CCAA Plan;

(b) diligently continued efforts to pursue refinancing arrangements and strategic options; and

(c) successfully negotiated agreements to dispose of certain surplus property as described further below.

25. I believe the requested extension is necessary and appropriate in the circumstances to allow the CannTrust Group to take the following steps, among others, during the Proposed Stay Extension Period:

(a) continue discussions with potential financing sources and strategic partners to determine if a Going-Concern Transaction can be consummated; and

(b) in the alternative, continue to prepare a plan for and commence the wind-down of operations and a sale of assets.

III. DISPOSITION OF SURPLUS ASSETS: GREY WOLF AND CANNATREK

26. In light of the liquidity position of the CannTrust Group, the CannTrust Group management team, of which I am a part, considered various assets of the CannTrust Group that we believe are surplus assets to determine if it would be possible to realize on such surplus assets in the near term for fair and reasonable value.

27. We identified two investments held by Opco that are not required for the CannTrust Group's current or future operations, for which we were able to successfully identify and negotiate transactions in the near term that we believe are in the best interests of the CannTrust Group and its stakeholders:

a) Opco's interest in Grey Wolf Animal Health Inc. ("**Grey Wolf**"); and

b) Opco's interest in Cannatrek Limited ("**Cannatrek**").

(i) Grey Wolf

28. Grey Wolf is a private company that specializes in health and wellness-related pharmaceuticals, nutraceuticals and consumables for veterinary purposes in Canada.

29. Opco invested in Grey Wolf in August 2018. Its interests consist of:

a) Debenture Units, consisting of an aggregate of 750 $1,000 principal amount unsecured 6% convertible debentures of Grey Wolf and 150,000 common share purchase warrants, with each warrant being exercisable for one common share at an exercise price of $2.00 per common share until December 20, 2022 (the “**Debenture Units**”); and

b) 769,231 common shares of Grey Wolf (the “**Shares**”).

30. The subscription price paid by Opco for the Shares of Grey Wolf was C$1,000,000. The Debentures Units have a face value of $750,000 and were issued at par.

31. Opco has entered into an agreement of purchase and sale dated as of January 24, 2022 (the “**Grey Wolf APS**”) with Bloom Burton Investment Group Inc. (the “**Grey Wolf Buyer**”) for the sale of the Shares and Debenture Units (each as defined in the Grey Wolf APS and, together, the “**Securities**”) of Grey Wolf, on the terms and conditions set out in the Grey Wolf APS (the “**Grey Wolf Transaction**”). A copy of the Grey Wolf APS is attached hereto as **Exhibit “D”.**

32. The options available to dispose of the Grey Wolf Securities are limited. Among other things, the articles of Grey Wolf require that no securities, other than non-convertible debt securities, shall be transferred without the approval of the directors of Grey Wolf, expressed by a resolution of the board of directors; or, the holders of the voting shares of Grey Wolf, expressed by a resolution of such shares. A copy of the Grey Wolf Articles are attached hereto as **Exhibit “E”.**

33. The Grey Wolf Buyer is related to a major shareholder of Grey Wolf, and two of the four directors of Grey Wolf are employees of the Grey Wolf Buyer. As such, the Grey Wolf Buyer is the logical purchaser.

34. The CannTrust Group management team determined that conducting a broad marketing process in respect of the Securities would have been impractical in the circumstances in light of the liquidity issues faced by the CannTrust Group, the nature of the Securities as a minority interest in a private company, and the restrictions on trading the Securities. Accordingly, we instead focused on negotiating the best possible transaction with the most logical purchaser: the Grey Wolf Buyer.

35. I am satisfied that following that negotiation, the purchase price and the terms and conditions of the Grey Wolf APS are fair and reasonable. The purchase price for the Securities is C$1,100,000. I believe this represents a reasonable discount to the purchase price paid by Opco in 2018 and a fair and reasonable purchase price, particularly to realize on this number of shares of a private company in the timeframe required by the CannTrust Group, and in light of the restrictions on trading these Securities.

36. The Grey Wolf Transaction otherwise has limited terms and conditions. This includes that the Grey Wolf Transaction is on an ‘as is, where is basis’, with limited representations. I understand that the Grey Wolf Buyer is in the process of working with Grey Wolf to obtain the requisite consent of the Grey Wolf board of directors and anticipates having that consent shortly.

37. The Grey Wolf APS also contains the following conditions that were inserted by the CannTrust Group:

a) An order will have been made by the Court approving this Agreement and the Transaction, authorizing the Seller to enter into this Agreement *nunc pro tunc* and vesting the Securities in the Buyer free from Encumbrances (the

"**Approval & Vesting Order**");

b) The Approval & Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction; and,

c) The Agent on behalf of the DIP Lender shall have provided written evidence of the DIP Lender's consent to the Transaction (the "**DIP Lender Consent**").

(ii) Cannatrek

38. Cannatrek is an Australian private company that specializes in research, cultivation, manufacturing and delivery of medical cannabis.

39. Opco acquired 32,778,922 ordinary shares (the "**Cannatrek Option Shares**") in the capital of Cannatrek in October 2018 for AUS$6,400,000.

40. Opco entered into a call option agreement dated as of January 18, 2022 (the "**Call Option Agreement**") between Opco and David Oshlack (the "**Optionholder**"), for the sale of the Cannatrek Option Shares from Opco to the Optionholder or its nominee, on the terms and conditions set out in the Call Option Agreement (the "**Cannatrek Transaction**"). A copy of the Call Option Agreement is attached hereto as **Exhibit "F"**.

41. As the Cannatrek Option Shares represent a minority interest in a private Australian company, the opportunities to realize on this investment are limited.

42. The CannTrust Group management team determined that conducting a broad marketing process for the Cannatrek Option Shares would be impractical. Alternatives were also discussed with the CannTrust Group's financial advisor, Greenhill & Co. Canada Ltd., together with their Australian and Toronto professionals. However, those discussions did not

produce any satisfactory alternative options that could be realized in the near term. As a result of these discussions and the liquidity issues faced by the CannTrust Group relative to the time required to liquidate shares in an Australian private company, as well as the nature of the Cannatrek Option Shares as a minority interest in a private company, the CannTrust Group determined that the best course of action was to seek instead to negotiate the best possible arrangement for the disposition of the Cannatrek Option Shares with Cannatrek.

43. I am satisfied that following that negotiation, the purchase price and the terms and conditions of the Call Option Agreement are fair and reasonable in the circumstances.

44. The Call Option Agreement gives the Optionholder an option to acquire the Cannatrek Option Shares at a price of AUS$0.20 per share in accordance with the terms of the Call Option Agreement and to have the Cannatrek Option Shares transferred to him or a specified nominee. The Optionholder does not have to exercise the options all at once and can purchase the Cannatrek Option Shares in tranches of at least 2,500,000.

45. This enables the Optionholder to exercise the option as buyers are identified for the Cannatrek Option Shares and to have such shares transferred to the buyers as his nominee. Opco will receive an Option Fee of $1,000 per 14 day period (the "**Option Fee**") during the Option Period (as defined in the Call Option Agreement), which will be credited against the exercise price otherwise payable.

46. I understand that a call option agreement is a common structure used in Australia to realize on investments in private corporations. When the CannTrust Group approached Cannatrek regarding a potential disposition of the Cannatrek Option Shares, Cannatrek

advised that the call option agreement with the Optionholder would be its preferred structure.

47. The structure is also helpful to the CannTrust Group since it enlists the Optionholder, an individual nominated by Cannatrek, to take the steps necessary to identify buyers for the Cannatrek Option Shares and complete those transactions. The CannTrust Group does not have to go through the time and expense to secure such transactions but still has the comfort of the reasonable price negotiated, of AUS$0.20 per share, as well as the Option Fee during the Option Period.

48. If all options are exercised, Opco will receive cash proceeds of approximately C$5,922,948 after payment of fees and transaction expenses. I understand that the Optionholder expects to be able to begin exercising its option in respect of tranches of the Call Option Shares promptly if the Call Option Agreement is approved.

49. The value of AUS$0.20 provided in the Call Option Agreement compares favourably to recent financing valuations of Cannatrek at AUS$0.35 per share when considering a liquidity discount, and that the Cannatrek Option Shares represent a large shareholding that the CannTrust Group is seeking to realize upon quickly in light of its liquidity challenges, and the buyer would not be putting new money into Cannatrek.

50. In addition, Opco may terminate the “Option Period” during which the Optionholder may exercise its option by providing written notice, effective at the end of the 14 day period following written notice. The Option Period would also terminate on an “Insolvency Event” (as defined in the Call Option Agreement), including a liquidation of any party.

51. I believe the consideration to be received and the terms and conditions of the Call

Option Agreement are fair and reasonable.

(iii)Surplus Dispositions are Appropriate and Supported by Key Stakeholders

52. The DIP and Exit Lender consents to both the Grey Wolf Transaction and the Cannatrek Transaction. A copy of the DIP and Exit Lender's consent is attached hereto as **Exhibit "G".**

53. The other key stakeholder of Opco is CannTrust Holdings, which also supports the Grey Wolf Transaction and the Cannatrek Transaction.

54. I am of the view that both the Grey Wolf Transaction and the Cannatrek Transaction are in the best interests of Opco's stakeholders, including suppliers and employees and that no stakeholder would be materially prejudiced. Among other things, proceeds from such transactions will assist the CannTrust Group in continuing to seek a going-concern outcome for the benefit of its stakeholders.

55. I understand that the Monitor also supports the approval of the Grey Wolf Transaction and Cannatrek Transaction and the requested Grey Wolf Approval and Vesting Order and Cannatrek Approval and Vesting Order and will be providing its views in its Seventeenth Report.

IV. CONCLUSION

56. For the reasons stated above, the relief requested is in the best interests of the CannTrust Group and its stakeholders and is appropriate in the circumstances.

SWORN BEFORE ME over videoconference this 25th day of January 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant was located in the City of Mississauga, in the Province of Ontario, and the Commissioner was located in the City of Toronto, in the Province of Ontario.	
A Commissioner for taking Affidavits, etc. Natasha Rambaran (LSO #80200N)	Greg Guyatt

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

____

A COMMISSIONER, ETC.

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

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

July 7, 2021

TABLE OF CONTENTS

**FOURTH AMENDED & RESTATED
PLAN OF COMPROMISE, ARRANGEMENT
AND REORGANIZATION**

This is the fourth amended & restated plan of compromise, arrangement and reorganization of CannTrust Holdings, CannTrust Opco and Elmcliffe pursuant to the CCAA and OBCA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the CCAA Plan:

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

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

"**Additional Settlement Party**" means each of:

(i) Brady Green;

(ii) Ian Abramowitz;

(iii) the Underwriters;

(iv) Eric Paul and the Paul Family Trust;

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

(vi) the Insurers listed in Schedule E (in their capacity as an Insurer in relation to the Insurance Policies) who have executed and delivered to CannTrust Holdings and the CCAA Representatives the Additional RSA for the applicable group of Insurers prior to the Plan Implementation Date; and

(vii) Peter Aceto, provided that he has executed and delivered his Additional RSA to CannTrust Holdings and the CCAA Representatives prior to the Plan Implementation Date; and

(viii) any Co-Defendant or Insurer that has been designated as an Additional Settlement Party in accordance with Section 7.1 of the CCAA Plan.

"**Affected Claim**" means a Securities Claim or General Unsecured Claim.

"**Affected Creditor**" means a Creditor with an Affected Claim.

“**Allocation and Distribution Scheme**” means the allocation and distribution scheme attached as Schedule B, to be included within the terms of, or attached as a schedule to, the Trust Declaration and approved by the CCAA Court pursuant to the CCAA Sanction Order, or such other or different allocation and distribution scheme that is devised by the Trustees and approved by the CCAA Court or the Ontario Court.

“**Applicable Law**” means:

(i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and

(ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Articles of Reorganization**” means articles of reorganization of CannTrust Holdings to effect, among other things, a change of the name of CannTrust Holdings, the form of which will be approved in the manner specified by the CCAA Sanction Order.

“**Assigned Claims**” means (i) the claims of CannTrust Holdings and CannTrust Opco against any Co-Defendant that is a Non-Settlement Party, other than claims barred by the CCAA Sanction Order in the manner contemplated by Section 7.3(3) and, if applicable, (ii) the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims are for loss or damage up to the date of the CCAA Sanction Order and arise from or relate to the Securities-Related Matters;

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

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

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

“**CannTrust Group**” means the applicants in the CCAA Proceedings.

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

“CannTrust Opco” means CannTrust Inc.

“CannTrust Plan Companies” means CannTrust Holdings, CannTrust Opco and Elmcliffe.

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

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

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

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

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

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

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

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

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

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

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

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

"**CCAA Representatives**" is defined in the CCAA Representation Order.

"**CCAA Sanction Order**" means the Order of the CCAA Court to be made under the CCAA and OBCA, among other things, sanctioning the CCAA Plan, approving the Articles of Reorganization, approving the Allocation and Distribution Scheme, and providing for the releases, injunctions and other relief contemplated in the CCAA Plan, in form and content satisfactory to the CannTrust Plan Companies.

"**CCAA Termination Order (CTI)**" means the Order of the CCAA Court to be made under the CCAA, among other things, terminating the CCAA Proceedings in respect of CTI, in form and content satisfactory to the CannTrust Group.

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

"**Certificate of Amendment**" means the certificate of amendment to be issued under section 186 of the OBCA in respect of the Articles of Reorganization.

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

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

"**Claims Officer Order**" means the claims officer order of the CCAA Court made in the CCAA Proceedings on February 19, 2021 in respect of the appointment of a claims officer and the determination of certain Claims.

"**Claims Procedure Order**" means the claims procedure order of the CCAA Court made in the CCAA Proceedings on May 8, 2020 and any other order of the CCAA Court made in the CCAA Proceedings in respect of the process governing the proof of claims.

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

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

"**Co-Defendant**" means, at the relevant time:

(i) any Person named as a defendant in an Action that is not a Settlement Party, and

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

"**Convenience Creditor**" is defined in Section 3.4(2)(a).

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

“**Creditor**” means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor by the Monitor in accordance with the Claims Procedure Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

“**CRO**” means FTI Consulting Canada Inc.

“**Cross-Border Action**” is defined in Section 4.4(a).

“CTI” means CTI Holdings (Osoyoos) Inc.

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

“**Defence Costs Indemnity Claim**” means any claim against CannTrust Holdings for indemnification, reimbursement or advancement of defence costs incurred by any Person who is not a Settlement Party in connection with defending against the Actions or any other Securities-Related Claim.

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

“**DIP and Exit Lender**” means the lender or lenders of any DIP and Exit Loan.

“**DIP and Exit Loan**” means any loan or loan facility made available to the CannTrust Group for working capital purposes during and/or after exit from the CCAA Proceedings that is authorized by an Order of the CCAA Court during the CCAA Proceedings.

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

“**Distribution Date**” means a Business Day upon which distributions are made by the CannTrust Plan Companies to General Unsecured Creditors in accordance with the provisions of the CCAA Plan.

“**Distribution Record Date**” means the date that is seven (7) Business Days prior to the Distribution Date.

“**Effective Time**” means such time on the Plan Implementation Date as the CannTrust Plan Companies may determine and designate in the certificate contemplated by Section 9.2.

“**Election Amount**” means $2,500.

"Election Notice" means a duly and timely filed election in the form contemplated by the Meeting Order pursuant to which a General Unsecured Creditor with Proven Claims that are General Unsecured Claims (Opco) exceeding in aggregate the Election Amount elects to receive, subject to the terms and implementation of the CCAA Plan, payment of the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims pursuant to Section 3.4(3).

"Elmcliffe" means Elmcliffe Investments Inc.

"**Encumbrance**" means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that any of the CannTrust Plan Companies owns or to which any of the CannTrust Plan Companies is entitled or that secures payment or performance of an obligation, or similar charge of any kind.

"**Equity Claim**" means a Claim that constitutes an "equity claim" as that term is defined in section 2 of the CCAA, excluding any Claim by a member of the CannTrust Group against another member of the CannTrust Group.

"Existing Agreement" is defined in Section 8.2(t).

"**Existing Shares**" means, in the case of CannTrust Holdings, the common shares and any other shares or similar securities in its capital immediately prior to the Plan Implementation Date.

"**Filing Date**" means March 31, 2020.

"General Unsecured Claim" means a Claim against any of the CannTrust Plan Companies that is not a Securities Claim, a Securities-Related Indemnity Claim, another Equity Claim or an Unaffected Claim.

"**General Unsecured Claim (CannTrust Holdings)**" means a General Unsecured Claim against CannTrust Holdings.

"**General Unsecured Claim (Elmcliffe)**" means a General Unsecured Claim against Elmcliffe.

"**General Unsecured Claim (Opco)**" means a General Unsecured Claim against CannTrust Opco.

"**General Unsecured Creditor**" means a Creditor with a General Unsecured Claim.

"**Governmental Authority**" means any domestic or foreign legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances.

"**GUC Distribution Pool**" means $900,000 to fund distributions to General Unsecured Creditors (Opco) with Proven Claims as provided in the CCAA Plan, which amount includes the amount to be held in the Unresolved General Unsecured Claims Reserve in respect of General Unsecured Claims (Opco) that are Unresolved General Unsecured Claims.

"Initial Distribution Date" means the first Distribution Date determined by the CannTrust Plan Companies, which will be as soon as practicable following the Plan Implementation Date.

"**Initial Order**" means the order obtained from the CCAA Court upon application by the CannTrust Group on the Filing Date commencing the CCAA Proceedings.

"**Insurance Policies**" means the insurance policies listed in Schedule E.

"**Insured Non-Securities Claim**" means that portion of a Claim that is not a Securities Claim or Securities-Related Indemnity Claim arising from a cause of action for which the applicable CannTrust Plan Company is covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the CannTrust Plan Company after the Effective Time in respect of such Claim.

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

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

"**Insurer**" means an insurer that has provided insurance with respect to any Securities-Related Matters (including with respect to a Securities Claim or Securities-Related Claim) to (i) a Settlement Party or (ii) a Co-Defendant that is or was a Director of CannTrust Holdings and/or CannTrust Opco.

"**Meeting**" means each of the meetings of Affected Creditors to consider and vote on the CCAA Plan held pursuant to the Meeting Order.

"**Meeting Order**" means the order directing the calling and holding of the Meetings of Affected Creditors to consider and vote on the CCAA Plan in form and content satisfactory to the CannTrust Plan Companies.

"**Monitor**" means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further order of the CCAA Court.

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

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

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

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

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

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

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

"**OBCA**" means the *Business Corporations Act* (Ontario).

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

"**Ontario Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Order**" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

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

"**Person**" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

"**Plan Implementation Conditions**" is defined in Section 9.1.

"**Plan Implementation Date**" means the date of the Certificate of Amendment.

"**Proof of Claim**" means a valid proof of claim filed in accordance with the Claims Procedure Order.

"**Proven Claim**" means a Claim (or the portion thereof) that has been finally determined:

(i) in the case of a General Unsecured Claim, in accordance with the Claims Procedure Order for voting and distribution purposes;

(ii) in the case of a Securities Claim, in accordance with the Meeting Order for voting purposes and in accordance with the Allocation and Distribution Scheme for distribution purposes; and

(iii) in the case of an Unaffected Claim, in accordance with the Claims Procedure Order for the purpose of any payment thereof or another purpose contemplated by the CCAA Plan.

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

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

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

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

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

but excluding Non-Released CannTrust Claims and Channelled Claims.

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

"**Released Claims**" means the Released CannTrust Claims, the Released Securities-Related Claims and, subject to Section 7.1(4), the Released Insurance Claims.

"**Released Insurance Claims**" means any past, present, or future claim against any Insurers that are Additional Settlement Parties for coverage, damages, or any other benefit by any insured party, or by any other individual or entity, under or in connection with the Insurance Policies, including: (i) any claims under or in connection with the Insurance Policies for indemnity, damages, advancement, defence costs, or any payment of funds of any kind related to any civil, criminal, administrative, extradition, or regulatory proceeding, or formal or informal investigation by an external body or person, including any appeal therefrom; and (ii) any other claims under or in connection with the Insurance Policies concerning any subject-matter whatsoever, including any extra-contractual claims.

"**Released Parties**" means the Released CannTrust Parties and the Released Additional Settlement Parties.

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

(i) any of the Actions;

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

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

but excluding Non-Released CannTrust Claims and Channelled Claims.

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

"**Restructuring Claim**" means any right of any Person against any of the CannTrust Plan Companies in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the disclaimer, restructuring, repudiation or termination after the Filing Date of any contract, lease, agreement or other arrangement, whether written or oral, including any such right of an employee arising as a result of the termination of employment of such employee on or after the Filing Date, provided that a "Restructuring Claim" does not include any Unaffected Claim.

"Restructuring Steps" is defined in Section 4.6.

"**RSA**" means the restructuring support agreement between made as of January 19, 2021 and the related joinder agreement made as of January 29, 2021 between the RSA Parties.

"**RSA Parties**" means the CannTrust Group, the Class Action Lead Plaintiffs, Class Action Counsel, the CCAA Representatives and CCAA Representative Counsel.

"**RSA Supplemental Letter Agreement**" means the supplemental letter agreement dated January 19, 2021 and the related joinder letter made as of January 29, 2021 between the RSA Parties.

"**Schedules**" is defined in Section 1.5.

"**Secured Claims**" means all Proven Claims of a Creditor to the extent that they are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter to the extent permitted by the Initial Order or a further Order of the CCAA Court, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claims are entitled to be proven as secured claims pursuant to the provisions of the CCAA.

"**Securities Claim**" means:

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

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

other than a Securities-Related Indemnity Claim.

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

"**Securities Claimants**" means the holders of Securities Claims.

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

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

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

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

"**Securities-Related Indemnity Claim**" means any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or Securities-Related Claim asserted or that could be asserted against such Person or arising from or in connection with any other claim asserted or that could be asserted against such Person by any other Person that is not a Settlement Party in relation to a Securities-Related Matter, including, for greater certainty, a Defence Costs Indemnity Claim.

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

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

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

"**Settlement-Related Agreements**" means the Trust Declaration, the Allocation and Distribution Scheme, the Cooperation Agreement and all other agreements, releases, consents or other documents contemplated by, or necessary or desirable to implement the transactions contemplated by, the CCAA Plan, the RSA or the RSA Supplemental Letter Agreement in relation to the settlement of or otherwise addressing the Securities Claims, the other Released Claims and the Channelled Claims, in each case in form and content satisfactory to the RSA Parties.

“**Tax Act**” means the *Income Tax Act* (Canada).

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

“**Trustees**” means the individuals appointed as the trustees of the Securities Claimant Trust pursuant to the Trust Declaration on the basis contemplated in Section 4.1.

“**Unaffected Claim**” is a Claim identified in Section 2.3.

“**Unaffected Creditor**” means a Creditor with an Unaffected Claim.

“**Uncashed Distribution**” is defined in Section 6.6(2).

“**Undeliverable Distribution**” is defined in Section 6.6(1).

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

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

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

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

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

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

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

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

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

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

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

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

1.2 **Certain Rules of Interpretation**

For the purposes of the CCAA Plan:

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

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

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

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

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

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

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

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

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

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

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

1.3 **Successors and Assigns**

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

1.4 **Governing Law and Jurisdiction**

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

1.5 **Schedules**

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

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

ARTICLE 2
PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 Purpose

The purposes of the CCAA Plan are to:

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

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

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

(d) provide for the release of all Released Claims and an injunction in respect of all Channelled Claims; and

(e) assist the CannTrust Group to continue to operate as a going concern,

in the expectation that Affected Creditors generally will derive a greater benefit from implementation of the CCAA Plan than they would derive from a bankruptcy or liquidation of the CannTrust Group.

2.2 Affected Claims and Released Claims

The CCAA Plan provides for the payment or compromise of the Affected Claims (as applicable), a release and discharge of the Released Claims, and an injunction in respect of the Channelled Claims. The CCAA Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the CannTrust Group, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the CCAA Plan.

2.3 Unaffected Claims

Subject to the express provisions hereof providing for the payment or restructuring by separate arrangement of certain Unaffected Claims and the treatment of Insured Claims, the CCAA Plan does not compromise the following (collectively, the "**Unaffected Claims**"):

(a) Claims secured by the CCAA Charges;

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

(c) CCAA Priority Payment Claims;

(d) Claims of a member of the CannTrust Group against another member of the CannTrust Group;

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

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

(g) subject to and solely as provided in Section 3.6(1), that portion of a Claim that is an Insured Non-Securities Claim;

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

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

(j) the portion of any Claim that is an Insured Securities Claim (but subject to the injunction and related treatment contemplated by this CCAA Plan and the CCAA Sanction Order in respect of such Insured Securities Claim);

(k) Claims that cannot be compromised due to section 19(2) of the CCAA, except any Claims that are compromised under the CCAA Plan in accordance with such section as a consequence of the applicable Creditor's vote in favour of or other form of consent to the CCAA Plan; and

(l) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the CannTrust Group.

Nothing in the CCAA Plan will affect any CannTrust Plan Company's rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims. Unaffected Creditors will not be entitled to vote on the CCAA Plan. Unaffected Claims will be paid in accordance with Section 6.2 (if applicable) or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the applicable CannTrust Plan Company (subject to the treatment of Insured Non-Securities Claims and Insured Securities Claims contemplated by this CCAA Plan and the CCAA Sanction Order).

2.4 **Equity Claims**

At the Effective Time, the CCAA Plan will be binding on all holders of Equity Claims. Except as otherwise expressly provided in this CCAA Plan, the Meeting Order and the CCAA Sanction Order:

(a) holders of Equity Claims will not receive a distribution or other consideration under the CCAA Plan and will not be entitled to vote on the CCAA Plan in respect of their Equity Claims; and

(b) all Equity Claims will be fully, finally, irrevocably and forever released, discharged and barred as of the Effective Time without any compensation of any kind whatsoever.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF AFFECTED CREDITORS AND RELATED MATTERS

3.1 **Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for the purposes of the CCAA Plan will be governed by the Claims Procedure Order, the Claims Officer Order, the Meeting Order, the CCAA, the CCAA Plan and any further Order of the CCAA Court. For the avoidance of doubt, the Claims Procedure Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 **Classification of Creditors**

In accordance with the Meeting Order, Affected Creditors will be divided into four separate classes for the purposes of considering and voting on the CCAA Plan:

(a) a class of Creditors holding General Unsecured Claims (Opco);

(b) a class of Creditors holding General Unsecured Claims (Elmcliffe);

(c) a class of Creditors holding General Unsecured Claims (CannTrust Holdings); and

(d) a class of Creditors holding Securities Claims.

3.3 **Meetings of Affected Creditors**

The Meetings will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend a Meeting are those specified in the Meeting Order and any further Order of the CCAA Court.

3.4 Treatment of General Unsecured Claims

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

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

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

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

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

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

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

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

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

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

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

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

3.5 **Treatment of Securities Claims**

(1) At the Effective Time:

(a) all Securities Claims other than Insured Securities Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred; and

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

(c) Securities Claimants with Securities Claims that are Proven Claims will be entitled to receive distributions from the Securities Claimant Trust in accordance with the Allocation and Distribution Scheme and, to the extent applicable, any other Settlement-Related Agreements to which one or more of the Securities Claimants and the Securities Claimant Trust are parties.

(2) On or before the Effective Time, CannTrust Holdings will:

(a) pay or cause to be paid its Cash Contribution to the Securities Claimant Trust; and

(b) assign its Assigned Claims (if any) to the Securities Claimant Trust.

(3) Subject to the other terms of the CCAA Plan (including the releases and injunctions provided by Article 7), the CCAA Sanction Order and any other Orders of the CCAA Court, the Securities-Related Claims of Securities Claimants against Non-Settlement Parties will not be compromised and Securities Claimants may continue to pursue such Securities-Related Claims against Non-Settlement Parties after the Plan Implementation Date.

3.6 **Insured Claims**

(1) Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Non-Securities Claim will be irrevocably limited to recovery in respect of such Insured Non-Securities Claim solely from the proceeds of the applicable insurance policies received by the applicable CannTrust Plan Company, and any Person

with an Insured Non-Securities Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid from the proceeds of the applicable insurance policies. This Section 3.6(1) may be relied upon by the CannTrust Plan Companies and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section. Nothing in the CCAA Plan will compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Non-Securities Claim. Notwithstanding the forgoing, an Affected Claim that includes an Insured Non-Securities Claim may still receive a distribution in respect of the portion of the Affected Claim, if any, that is not an Insured Non-Securities Claim.

(2) From and after the Effective Time, any Person having an Insured Securities Claim or Insured Securities-Related Claim will be irrevocably limited to recovery in respect of such Insured Securities Claim or Insured Securities-Related Claim solely by way of distributions from the Securities Claimant Trust pursuant to the Allocation and Distribution Scheme and, if applicable, by way of recovery against any Person that is not a Released Party. Any Person with an Insured Securities Claim or Insured Securities-Related Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recovery from any of the Released Parties, other than making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties. This Section 3.6(2) may be relied upon by the CannTrust Plan Companies and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section.

3.7 **<u>Unresolved General Unsecured Claims</u>**

No General Unsecured Creditor will be entitled to receive any distribution hereunder with respect to an Unresolved General Unsecured Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved General Unsecured Claim is finally resolved in the manner set out in the Claims Procedure Order and becomes a Proven Claim entitled to the treatment described in Section 3.4.

3.8 **<u>Extinguishment of Claims</u>**

At the Effective Time and in accordance with the terms of this CCAA Plan and the CCAA Sanction Order, the treatment of Affected Claims (including Unresolved General Unsecured Claims), Released Claims and Channelled Claims, in each case as set forth herein, will be final and binding on the CannTrust Plan Companies, Affected Creditors and any Person holding a Released Claim or Channelled Claim. In accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order, all Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged and barred or enjoined, as applicable, and the CannTrust Plan Companies and the Released Parties will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims; provided that (i) nothing herein releases the CannTrust Plan Companies from the obligation to make distributions or payments in the manner and to the extent provided for in the CCAA Plan; and

(ii) such release and discharge of the CannTrust Plan Companies will be without prejudice to the right of an Affected Creditor in respect of an Unresolved General Unsecured Claim to prove such Unresolved General Unsecured Claim in accordance with the Claims Procedure Order.

3.9 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, indemnity or similar covenant in respect of any Claim that is compromised or released under the CCAA Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised or released under the CCAA Plan will be entitled to any greater rights as against the CannTrust Plan Companies than the Person whose Claim is compromised or released under the CCAA Plan and such claims and rights of such Person will be subject to the releases, injunctions and other provisions of the CCAA Plan and CCAA Sanction Order.

3.10 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the CannTrust Plan Companies will be entitled to set-off from any payments or distributions to be made to a General Unsecured Creditor or Unaffected Creditor hereunder, any amounts that became due and owing to the CannTrust Plan Companies after the Filing Date from such Creditor.

ARTICLE 4
DEFINITIVE DOCUMENTS, LITIGATION ARRANGEMENTS AND RESTRUCTURING STEPS

4.1 **Securities Claimant Trust**

In relation to the Securities Claimant Trust:

(a) half of the Trustees will be designated by CCAA Canadian Representative Counsel and half of the Trustees will be designated by CCAA U.S. Representative Counsel for appointment pursuant to the Trust Declaration;

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

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

4.2 **Settlement-Related Agreements**

The Settlement-Related Agreements will:

(a) include releases in favour of the Released Parties in respect of the Released Claims and Securities-Related Section 5.1(2) Claims and, if applicable, confirm the injunction in respect of Insured Securities Claims and Insured Securities-Related Claims, in each case consistent with the terms of the CCAA Plan;

(b) provide that the Securities Claimants and the Securities Claimant Trust jointly and severally agree and undertake (i) not to seek any damages from any Co-Defendant nor threaten, make or settle any claim or take any proceeding against any other Person, which in either case could result in a Securities-Related Indemnity Claim or any other claim for damages against any of the Released Parties in any jurisdiction that is permitted to proceed notwithstanding the CCAA Sanction Order, and (ii) to obtain a full and final release in favour of the Released Parties, in the form and content of Schedule D, if the Securities Claimants or the Securities Claimant Trust settles with any Non-Settlement Parties;

(c) provide that all fees and costs of the CCAA Representatives, CCAA Representative Counsel, the Trustees and the Securities Claimant Trust, as approved by the CCAA Court, will be paid from amounts held in the Securities Claimant Trust from time to time in accordance with the terms of the Trust Declaration and any other applicable Definitive Document;

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

(e) without delay after implementation of the CCAA Plan, CCAA Representative Counsel will cause the Actions in Canada to be dismissed against the Settlement Parties without costs; and

(f) provide that the Securities Claimant Trust and other applicable Persons will take the steps and actions contemplated in Section 4.3.

4.3 U.S. Class Action and California Action

(1) With respect to the U.S. Class Action:

(a) U.S. Class Action Lead Plaintiffs and the applicable Released Parties will seek preliminary approval in the U.S. Class Action of the settlement of the applicable Securities Claims and related claims contemplated by this CCAA Plan and the Settlement-Related Agreements and thereafter will seek final approval of the settlement of the U.S. Class Action after the CCAA Sanction Order has been granted. U.S. Class Action Lead Plaintiffs and the applicable Released Parties will cooperate and jointly file any motions in support of preliminary approval and final approval of the settlement in the U.S. Class Action.

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

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

(ii) any notice or administration expenses incurred prior to the date that the CCAA Sanction Order is granted will be paid by the CannTrust Plan Companies, and any such expenses incurred on or after such date will be paid by the Securities Claimant Trust (or funded by CCAA Representative Counsel and later reimbursed by the Securities Claimant Trust);

(c) the relevant RSA Parties will jointly seek entry of the U.S. Approval Order and will request that the U.S. Approval Order recite that it is without prejudice to, and does not limit, the applicability of the CCAA Sanction Order;

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

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

(2) The California Action will be voluntarily dismissed with prejudice.

4.4 **Litigation Cooperation of CannTrust Holdings**

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

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

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

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

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

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

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

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

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

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

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

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

4.5 **Articles of Reorganization**

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

4.6 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur and be deemed to have occurred in the order set out below unless otherwise specified in this Section 4.2 and become effective without any further act or formality:

(a) the Articles of Reorganization of CannTrust Holdings will become effective;

(b) to the extent not already paid, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount required to satisfy any CCAA Priority Payment Claims that are due and payable but for the stay of proceedings in the Initial Order and all claims secured by the CCAA Charges (other than the DIP and Exit Loan), which claims will be paid by the CannTrust Plan Companies or Monitor, for and on behalf of the CannTrust Plan Companies, to the respective holders of such claims from such funds within five (5) Business Days after the Plan Implementation Date (unless otherwise agreed with a claim holder);

(c) the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the GUC Distribution Pool (including the amount thereof to be held in the Unresolved General Unsecured Claims Reserve) in accordance with Article 5;

(d) the CannTrust Plan Companies will pay any other amounts that they are required to pay on or before the Effective Time in accordance with the RSA, the CCAA Plan or other applicable agreement;

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

(f) all Channelled Claims will be fully, finally, irrevocably and forever enjoined in accordance with Section 3.8 and Article 7 as against the applicable Settlement Parties and thereafter such claims may only be asserted against the Securities Claimant Trust or, if applicable, any Person who is not a Settlement Party, provided that nothing in this Section 4.6(f) will prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties; and

(g) the arrangements between the DIP and Exit Lender and the CannTrust Group contemplated by Section 9.1(k) in respect of the DIP and Exit Loan will become effective,

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

4.7 Corporate Approvals

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

ARTICLE 5
CASH POOL AND UNRESOLVED GENERAL UNSECURED CLAIMS

5.1 GUC Distribution Pool

At or before the Effective Time, the CannTrust Plan Companies will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount of the GUC Distribution Pool (less the portion thereof to be included in the Unresolved General Unsecured Claims Reserve in respect of Unresolved General Unsecured Claims against CannTrust Opco, which amount will be set aside or delivered to the Monitor pursuant to Section 5.2), from which cash distributions will be made to General Unsecured Creditors (Opco) with Proven Claims on and subject to the terms of Article 6. The Monitor will oversee the distribution of funds from the GUC Distribution Pool in accordance with the provisions of Article 6.

5.2 Unresolved General Unsecured Claims Reserve

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

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

ARTICLE 6
DISTRIBUTIONS, PAYMENTS AND CURRENCY

6.1 Distributions Generally

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

6.2 Payments of Certain Unaffected Claims and Other Amounts

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

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

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

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

6.3 Distribution Mechanics for Affected Claims

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

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

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

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

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

6.5 **Allocation of Distributions**

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

6.6 **Treatment of Unclaimed Distributions**

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

Distribution Date for the Undeliverable Distribution, the amount of any Undeliverable Distribution will be released to the CannTrust Plan Companies.

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

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

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

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

6.7 **Withholding Rights**

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

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

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

6.9 **Calculations**

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

6.10 **Currency Matters**

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

ARTICLE 7
RELEASES AND ADDITIONAL SETTLEMENT PARTIES

7.1 **Additional Settlement Parties**

(1) By written agreement between CannTrust Holdings and CCAA Representative Counsel (such agreement not to be unreasonably withheld) entered into prior to the Plan Implementation Date, a Co-Defendant or Insurer may be designated as an Additional Settlement Party for the purposes of the CCAA Plan if such proposed Additional Settlement Party has signed a restructuring support agreement, in form and content satisfactory to the RSA Parties, acting reasonably, pursuant to which such proposed Additional Settlement Party has agreed, among other things:

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

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

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

(2) Subject to Section 7.1(4), any Co-Defendant or Insurer designated as an Additional Settlement Party pursuant to Section 7.1(1) will be treated as a Released Party pursuant to this CCAA Plan and the CCAA Sanction Order.

(3) If a Co-Defendant or Insurer is designated as an Additional Settlement Party pursuant to Section 7.1(1), the CannTrust Plan Companies will amend the CCAA Plan:

(a) to add such Co-Defendant or Insurer to the definition of Additional Settlement Party; and

(b) if the Additional Settlement Party is an Insurer, to treat the Insured Securities Claims, the Insured Securities-Related Claims and the Released Insurance Claims covered by such Insurer as Released Claims,

and cause the amendment to be filed and posted in accordance with Section 10.3(4).

(4) If an Additional Settlement Party has not paid its Cash Contribution to the Securities Claimant Trust and/or has not assigned its Assigned Claims (if any) to the Securities Claimant Trust at the Effective Time in accordance with the applicable Additional RSA, then pursuant to the CCAA Plan and the CCAA Sanction Order:

(a) such Additional Settlement Party shall not be treated as a Released Party; and

(b) if the Additional Settlement Party is an Insurer: (i) the Securities Claims and Securities-Related Claims covered by such Insurer shall continue to be treated as Insured Securities Claims and Insured Securities-Related Claims and shall not be treated as Released Claims; and (ii) the Released Insurance Claims against such Insurer shall not be treated as Released Claims,

until such Additional Settlement Party has paid its Cash Contribution to the Securities Claimant Trust and has assigned its Assigned Claims (if any) to the Securities Claimant Trust.

7.2 **Plan Releases**

At the Effective Time, the Released Parties will be fully, finally, irrevocably and forever released and discharged from all Released Claims in accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order.

7.3 **Injunctions**

(1) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Released Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or

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

(2) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, the recovery of Securities Claimants from a Non-Settlement Party with which any Settlement Party is judicially determined to be jointly and severally liable shall be limited to only that proportion of damages attributable to the liability of the Non-Settlement Party, as finally determined in the Actions.

(3) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all claims for contribution, indemnity or other claims over that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise against a Co-Defendant that is a Non-Settlement Party, will be permanently and forever barred, estopped, stayed and enjoined.

(4) From and after the Effective Time, to the extent provided in the CCAA Sanction Order, all Persons will be permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of Released Parties with respect to any and all Channelled Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Channelled Claims; (iii) commencing, conducting, continuing or making against any other Person in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) that relates to a Channelled Claim if such Person makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties, unless such claim of such other Person is itself a Released Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims, provided that nothing in the applicable provision of the CCAA Sanction Order will prevent a Person with an

Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties.

ARTICLE 8
COURT SANCTION

8.1 **Application for CCAA Sanction Order**

If the CCAA Plan is approved by the required majorities of Affected Creditors in accordance with the Meeting Order and the CCAA, the CannTrust Plan Companies will apply for the CCAA Sanction Order on or before the date set for the CCAA Sanction Order hearing in the Meeting Order (if any) or on such other date as the CCAA Court may set.

8.2 **CCAA Sanction Order**

The CannTrust Plan Companies will apply for a CCAA Sanction Order that will, among other things:

(a) declare that (i) the CCAA Plan has been approved by the required majorities of Affected Creditors in accordance with the Meeting Order and the CCAA; (ii) each member of the CannTrust Group has complied with the provisions of the CCAA and the Orders of the CCAA Court made in the CCAA Proceedings in all respects; (iii) neither the CannTrust Group nor Monitor has done or purported to do anything that is not authorized by the CCAA; and (iv) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby are sanctioned and approved;

(c) declare that the articles of CannTrust Holdings will be amended as set out in the Articles of Reorganization as of the Effective Time;

(d) declare that all warrants, options and agreements to purchase Existing Shares are of no further force or effect as of the Effective Time;

(e) approve and authorize the Restructuring Steps;

(f) order that the Trust Declaration and the Allocation and Distribution Scheme are each approved and deemed effective as of the Effective Time, and that the Trustees are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the transactions contemplated by the CCAA Plan, the Trust Declaration and the Allocation and Distribution Scheme in accordance with and subject to their respective terms and conditions;

(g) order that, as of the Effective Time, any and all Affected Claims (other than Insured Securities Claims) are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged and barred, and the ability of any Person to proceed against any of the CannTrust Plan Companies in respect of or relating to any Affected Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, excepting only any proceeding to enforce the obligation of the CannTrust Plan Companies to make payments and distributions in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan and the CCAA Sanction Order;

(h) order that, as of the Effective Time, (i) any and all Released Claims are and are deemed to be fully, finally, irrevocably and forever released, discharged and barred, (ii) the ability of any Person to proceed against any of the Released Parties in respect of or relating to any Released Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, (iii) all proceedings with respect to, in connection with or relating to such Released Claims are permanently stayed and (iv) subject to Section 7.1(4) of the CCAA Plan, there shall be a full policy release in respect of the Insurance Policies in favour of each Insurer that is an Additional Settlement Party;

(i) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Released Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all Released Claims; (iii) commencing, conducting, continuing or making against any other Person in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) that relates to a Released Claim if such other Person makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties, unless such claim of such other Person is itself a Released Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property with respect to any and all Released Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims;

(j) order that, from and after the Effective Time, the recovery of Securities Claimants from a Non-Settlement Party with which any Settlement Party is judicially determined to be jointly and severally liable shall be limited to only that proportion of damages attributable to the liability of the Non-Settlement Party, as finally determined in the Actions;

(k) order that, from and after the Effective Time, all claims for contribution, indemnity or other claims over that relate to the Released Claims or the Channelled Claims, which were or could have been brought by a Settlement Party in the Actions or otherwise against a Co-Defendant that is a Non-Settlement Party, are permanently and forever barred, estopped, stayed and enjoined;

(l) order that a Co-Defendant on motion to the applicable court on at least thirty (30) days' notice to counsel for each applicable Settlement Party, but not to be brought unless and until the Action against the Co-Defendant has been certified and all appeals or times to appeal have been exhausted if such Action is a class proceeding, may seek orders for the following, determined as if the Settlement Party remained a party to the Action:

(i) documentary discovery and an affidavit of documents from the Settlement Party in accordance with the *Rules of Civil Procedure,* RRO 1990, Reg. 1994;

(ii) oral discovery of the Settlement Party or a representative of the Settlement Party, as applicable, the transcript of which may be read in at trial;

(iii) leave to serve a request to admit on the Settlement Party in respect of factual matters; and

(iv) the attendance of the Settlement Party, or the production of a representative of the Settlement Party, as applicable, to testify at trial, with such witness to be subject to cross-examination by counsel for the Co-Defendant;

(m) order that each Person having a Channelled Claim will be limited to recovering from the Securities Claimant Trust in respect of such Channelled Claim in accordance with the CCAA Plan and Definitive Documents and, if applicable, from any Person who is not a Released Party, and such Person with a Channelled Claim will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Channelled Claim, provided that such order will not prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;

(n) order that, from and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties with respect to any and all Channelled Claims; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property with respect to any and all a Channelled Claims; (iii) commencing, conducting, continuing or making against any other Person in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) that relates to a Channelled Claim if such Person makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties, unless such claim of such other Person is itself a Released, Claim, Channelled Claim; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against any of the Released Parties with respect to any and all Channelled Claims; and (v) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Channelled Claims, provided that such order will not prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from making a claim against a Settlement Party to establish liability (but without recovery from it or its property) solely to the extent necessary to enable the Securities Claimant Trust to enforce Assigned Claims against Insurers who are not Settlement Parties;

(o) order that any Person that did not file a proof of claim in respect of a Claim by the applicable bar date in accordance with the Claims Procedure Order, and any Person with a General Unsecured Claim that is not a Proven Claim or Unresolved General Unsecured Claim at the Effective Time, is fully, finally, irrevocably and forever barred, estopped, stayed and enjoined from making any such Claim and is not be entitled to any consideration under the CCAA Plan, and such Person's Claim is fully, finally, irrevocably and forever barred and extinguished;

(p) authorize the CannTrust Plan Companies and the Monitor to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan in accordance with and subject to its terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan;

(q) declare that each of the CCAA Charges will be terminated, discharged, expunged and released at the applicable time set out in the CCAA Sanction Order;

(r) declare that, notwithstanding: (i) the pendency of the CCAA Proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), the CCAA or otherwise in respect of any of the CannTrust Plan Companies and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of any of the CannTrust Plan Companies, the transactions contemplated by the CCAA Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the CannTrust Plan Companies or its assets and will not be void or voidable by creditors of any of the CannTrust Plan Companies, nor will the CCAA Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), CCAA or any other applicable federal or provincial legislation, nor will the CCAA Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

(s) order that, as of the Effective Time, (i) all of the rights and obligations of CannTrust Holdings and each Settlement Party to and in respect of the Assigned Claims shall be assigned to and assumed by the Securities Claimant Trust and such assignment is valid and binding upon the applicable Non-Settlement Parties in respect of such Assigned Claims notwithstanding any restriction or prohibition contained in any insurance policy, underwriting agreement, audit engagement letter or other agreement relating to the assignment thereof (an "**Assigned Claims Related Agreement**"), including any provision requiring the consent of any party to an assignment, (ii) the counterparties to the Assigned Claims Related Agreements are prohibited from exercising any rights or remedies under the Assigned Claims Related Agreements and shall be forever barred, estopped, stayed and enjoined from taking such action, by reason of:

(A) any restriction, condition or prohibition contained in any such Assigned Claim Related Agreement relating to the assignment thereof;

(B) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such counterparty to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of any member of the CannTrust Group);

(C) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA;

(D) any compromises or arrangements effected pursuant to the CCAA Plan or any action taken or transaction effected pursuant to the CCAA Plan (including the compromise or release of any Affected Claim or Released Claim arising under such Assigned Claim Related Agreement);

(E) any change in the control of the CannTrust Group arising from the implementation of the CCAA Plan;

and (iii) such counterparties are hereby deemed to waive any defaults relating thereto.

(t) declare that all contracts, leases and other agreements and arrangements to which any member of the CannTrust Group or Cannabis Coffee and Tea Pod Company Ltd., Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and O Cannabis We Stand on Guard for Thee Corporation (each, an "**Affected Party**" and collectively, the "**Affected Parties**") is a party, whether written or oral (each, including any and all amendments or supplements thereto, an "**Existing Agreement**") that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time (except for all Affected Claims and Released Claims thereunder that have been compromised and released), and no Person who is a party to any such Existing Agreement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Existing Agreement and no automatic termination will have any validity or effect, as against any member of the CannTrust Group, an Affected Party or any Released Party that is a party thereto, by reason of (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of any member of the CannTrust Group); (ii) the insolvency of any member of the CannTrust Group or the fact that any member of the CannTrust Group sought or obtained relief under the CCAA; (iii) any compromises or arrangements effected pursuant to the CCAA Plan (including the compromise or release of any Claim arising under such Existing Agreement) or any action taken or transaction effected pursuant to the CCAA Plan; or (iv) any change in the control of the CannTrust Group or the Affected Parties arising from the implementation of the CCAA Plan;

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

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

(w) approve all conduct of the Monitor and the Monitor's Representatives in relation to the CannTrust Group and bar all claims against them arising from or relating to the services provided to the CannTrust Group up to and including the date of the CCAA Sanction Order; and

(x) declare that the CannTrust Group and the Monitor may apply to the CCAA Court for advice and direction in respect of any matters arising from or in relation to the CCAA Plan.

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

The CCAA Plan is subject to the satisfaction of the following conditions (the "**Plan Implementation Conditions**"), which may be waived (except in the case of Sections 9.1(a) and (b) below which may not be waived) only by the CannTrust Plan Companies in writing:

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

(b) the CCAA Sanction Order will have been issued by the CCAA Court, consistent with the terms of Section 8.2, with such amendments as may be acceptable to the CannTrust Plan Companies;

(c) the CCAA Termination Order (CTI) will have been issued by the CCAA Court;

(d) the U.S. Approval Order will have been entered in the U.S. Class Action;

(e) all applicable appeal periods in respect of the CCAA Sanction Order and the U.S. Approval Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellate tribunal;

(f) the Trust Declaration will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;

(g) CannTrust Holdings will have paid its Cash Contribution to the Securities Claimant Trust and the Original Settlement Parties will have assigned their Assigned Claims, if any, to the Securities Claimant Trust;

(h) the terms of the Settlement-Related Agreements and any other Definitive Documents not otherwise expressly addressed in this Section 9.1 will have been settled in form and substance satisfactory to each of the RSA Parties, acting reasonably, and each of the Definitive Documents will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date (if applicable to such document);

(i) each of the conditions precedent to the closing of the transaction provided in the RSA will have been satisfied or waived in accordance with the terms of the RSA;

(j) the matters contemplated in the RSA Supplemental Letter Agreement to be completed before or as a condition to the implementation of the CCAA Plan have been satisfied or waived in accordance with the terms of the RSA Supplemental Letter Agreement;

(k) arrangements satisfactory to the DIP and Exit Lender and the CannTrust Group in respect of the terms governing the DIP and Exit Loan from and after the Plan

Implementation Date will have become effective, subject only to the occurrence of the Plan Implementation Date;

(l) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the CannTrust Plan Companies acting reasonably, are necessary to implement the provisions of the CCAA Plan, the CCAA Sanction Order and the CCAA Termination Order (CTI);

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

(n) all applicable consents, approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the CannTrust Plan Companies, in form and substance satisfactory to the CannTrust Plan Companies.

9.2 **CannTrust Plan Companies' Certificate – Plan Implementation**

Upon receipt of the Certificate of Amendment, the CannTrust Plan Companies will deliver to the Monitor and file with the CCAA Court, a copy of a certificate (i) stating that each of the Plan Implementation Conditions has been satisfied or waived and that the Articles of Reorganization has been filed and have become effective as of the date set out in the Certificate of Amendment, and (ii) designating an Effective Time on the Plan Implementation Date.

9.3 **Monitor's Certificate – Plan Implementation**

As soon as practicable following the occurrence of the Effective Time, the Monitor will serve on the service list in the CCAA Proceedings and post on the Monitor's website a certificate confirming that the Plan Implementation Date has occurred and the time of the Effective Time, and will file such certificate with the CCAA Court as soon as practicable after it has been served and posted.

ARTICLE 10
GENERAL

10.1 **Binding Effect**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.6, the CCAA Plan will become effective and binding on and enure to the benefit of the CannTrust Plan Companies, the Affected Creditors, the Released Parties and any other Person named or referred to in or subject to the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time in accordance with this CCAA Plan and to the extent provided in the CCAA Sanction Order:

(a) the treatment of Affected Claims, Released Claims and Channelled Claims under the CCAA Plan will be final and binding for all purposes upon and enure to the benefit of the CannTrust Plan Companies, the Affected Creditors, the Released Parties and all other Persons named or referred to in or subject to the CCAA Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(b) all Affected Claims (other than Insured Securities Claims) will be forever compromised, released, discharged and barred, excepting only with respect to any distribution thereon in the manner and to the extent provided for in the CCAA Plan;

(c) all Released Claims will be forever released, discharged, enjoined and barred;

(d) each Affected Creditor and each Person holding a Released Claim or Channelled Claim will be deemed to have:

  (i) consented and agreed to all of the provisions of the CCAA Plan in its entirety;

  (ii) executed and delivered to the CannTrust Plan Companies and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety;

  (iii) waived any default by or rescinded any demand for payment against any CannTrust Plan Company that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim or Channelled Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Channelled Claim (as the case may be); and

  (iv) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing as at the moment before the Effective Time between such Affected Creditor or Person holding a Released Claim or Channelled Claim and the applicable CannTrust Plan Company with respect to an Affected Claim, Released Claim or Channelled Claim (as the case may be) and the provisions of the CCAA Plan, then the provisions of the CCAA Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

10.2 **Deeming Provisions**

In the CCAA Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.3 **Modification of the CCAA Plan**

(1) The CannTrust Plan Companies reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the CCAA Plan (including to address or further address the treatment of claims subject to the Claims Procedure Order), provided that any such amendment, restatement, modification or supplement is contained in a written document which is filed with the CCAA Court and (i) if made prior to or at the Meeting, is communicated to Affected Creditors in the manner contemplated by the Meeting Order; or (ii) if made following the Meeting, is approved by the CCAA Court.

(2) Notwithstanding Section 10.3(1), after the Meetings and before the Plan Implementation Date the CannTrust Plan Companies may amend, restate, modify and/or supplement the CCAA Plan with the consent of the Monitor, without the consent of the Affected Creditors or approval of the CCAA Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the CCAA Court; (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings; (iii) does not materially decrease the anticipated recovery of General Unsecured Creditors under the CCAA Plan as determined by the Monitor and, in the case of Securities Claimants, is in their financial or other interests as determined by the CCAA Representatives and is consented to by the Monitor; and (iv) does not amend the Plan Implementation Conditions.

(3) Notwithstanding Sections 10.3(1) and (2), any amendment, restatement, modification or supplement to the CCAA Plan may be made by the CannTrust Plan Companies at any time and from time to time with the consent of the Monitor, without the consent of the Affected Creditors or approval of the CCAA Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the CCAA Court; (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings; and (iii) (A) concerns a matter which is of an administrative nature required to better give effect to the implementation of the CCAA Plan, or (B) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors as determined by the Monitor.

(4) Notwithstanding Sections 10.3(1), (2) and (3), the CannTrust Plan Companies may amend the CCAA Plan pursuant to Section 7.1(3), provided that such amendment (i) is filed with the CCAA Court; and (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the service list maintained by the Monitor for the CCAA Proceedings.

(5) Any amended, restated, modified or supplementary CCAA Plan filed with the CCAA Court and, if required by this Section, approved by the CCAA Court, will for all purposes be and be deemed to be a part of and incorporated in the CCAA Plan.

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

(a) the CCAA Plan or the CCAA Sanction Order; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and any of the CannTrust Plan Companies as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the CCAA Plan and the CCAA Sanction Order, which will take precedence and priority.

10.5 **Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the CCAA Plan is held by the CCAA Court to be invalid, void or unenforceable, the CCAA Court, at the request of the CannTrust Plan Companies and with the consent of the Monitor, will have the power to either (a) sever such term or provision from the balance of the CCAA Plan and provide the CannTrust Plan Companies with the option to proceed with the implementation of the balance of the CCAA Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the CannTrust Plan Companies proceed with the implementation of the CCAA Plan, the remainder of the terms and provisions of the CCAA Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 **Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the CannTrust Group (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the CannTrust Group. The Monitor will have the powers and protections granted to it by the Initial Order, the CCAA Plan, the CCAA and any other Order made in the CCAA Proceedings. Ernst & Young Inc. will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the CannTrust Group to observe, perform or comply with any of its obligations under the CCAA Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the CCAA Plan will enure to the benefit of Ernst & Young Inc. The Monitor in its personal capacity will be a third party beneficiary to the CCAA Plan entitled to enforce such releases, discharges and other benefits in accordance with the terms of the CCAA Plan.

10.7 **Different Capacities**

Persons who are affected by the CCAA Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the CannTrust Plan Companies and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.8 **Notices**

Any notice or other communication to be delivered hereunder must be in writing and reference the CCAA Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to any of the CannTrust Plan Companies:

c/o CannTrust Holdings Inc.
3280 Langstaff Road, Unit 1
Vaughan, ON L4K 4Z8

Attention: David Blair, Chief Financial Officer

Fax: 647-872-2315
Email: dblair@canntrust.ca

With copies to (which will not constitute notice)

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto, ON M5K 1E6

Fax: 416-868-0673

Attention: James D. Gage and Shane D'Souza
Email: jgage@mccarthy.ca and sdsouza@mccarthy.ca

If to an Affected Creditor: to the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the CannTrust Plan Companies or the Monitor;

If to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West,
Toronto, Ontario
M5H 0B3

Attention: Alex Morrison
Email: canntrust.monitor@ca.ey.com

With copies to (which will not constitute notice)

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Steven L. Graff and Jonathan Yantzi
Email: sgraff@airdberlis.com and jyantzi@airdberlis.com

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the CannTrust Plan Companies or the Monitor, by posting notice of such address change on the Monitor's website (http://www.ey.com/ca/canntrust). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

10.9 **Further Assurances**

Each of the Persons named or referred to in, or subject to, the CCAA Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the CCAA Plan and to give effect to the transactions contemplated by the CCAA Plan and the Definitive Documents notwithstanding any provision of the CCAA Plan that deems any event or transaction to occur without further formality.

10.10 **Language**

This CCAA Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

10.11 **Acts to Occur on Next Business Day**

If any distribution, payment or act under the CCAA Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

10.12 <u>Non-Consummation of the CCAA Plan</u>

If the CCAA Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the CCAA Plan and no act taken in preparation for the implementation of the CCAA Plan will:

(a) constitute or be deemed to constitute a waiver or release of any Claims by or against any member of the CannTrust Group or any other Person;

(b) prejudice the rights of any member of the CannTrust Group or any other Person in any further proceeding involving any member of the CannTrust Group; or

(c) constitute an admission of any sort by any member of the CannTrust Group or any other Person.

DATED as of the 7th day of July, 2021.

CannTrust Holdings Inc.
CannTrust Inc.
Elmcliffe Investments Inc.

SCHEDULE A
ACTIONS

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE B
ALLOCATION AND DISTRIBUTION SCHEME
DISTRIBUTION OF CLASS COMPENSATION FUND TO MEMBERS

I. DEFINITIONS

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

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

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

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

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

(e) **"Claims Administrator"** means the claims administrator appointed for the purposes of the Allocation and Distribution Scheme, whose appointment will be confirmed by the Court;

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

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

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

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

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

(k) **"Class Settlement Amount"** means CAD $50,000,000 to be contributed to the Securities Claimant Trust by CannTrust pursuant to the Plan, together with the cash contributions of any other Additional Settlement Parties (as defined in the Plan) pursuant to the applicable Additional RSA (as defined in the Plan), plus any accrued interest;

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

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

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

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

(n) **“Excluded Person(s)”** means

(i) CannTrust, Cannamed Financial Corp, Cajun Capital Corporation, KMPG LLP, Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., RBC Dominion Securities Inc., Jefferies Securities Inc., Canaccord Genuity Corp., Merrill Lynch, Pierce, Fenner & Smith Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Jefferies LLC, Canaccord Genuity LLC, Paul Family Trust, Mar-Risa Holdings Inc., York Capital Funding Inc., Sutton Management Limited, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns (the “**Corporate Defendants**”); and

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

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

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

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

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

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

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

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

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

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

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

(y) **“Securities Claimant Trust”** has the meaning ascribed to it in the Plan;

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

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

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

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

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

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

II. OBJECTIVE

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

III. DEADLINE FOR CLAIMS

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

IV. PROCESSING CLAIM FORMS

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

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

(i) the Claimant is a Class Member; and

(ii) the claim is not an Excluded Claim;

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

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

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

(iii) the claim is not an Excluded Claim.

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

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

V. ALLOCATION OF CLASS COMPENSATION FUND

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

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

9. As soon as possible after (i) all timely Claim Forms have been processed (and those otherwise-valid late Claim Forms that the Claims Administrator has exercised its discretion to permit); (ii) the time to request a reconsideration for disallowed claims under paragraphs 26-27 has expired; and (iii) all administrative reviews under paragraphs 28-29 have concluded, the Claims Administrator shall distribute the Class Compensation Fund to eligible Claimants.

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

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

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

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

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

TABLE A

Date of Sale of Shares acquired during the Class Period	**Recognized Loss Amount per Share**
June 1, 2018 – July 7, 2019	$0
July 8, 2019 – September 16, 2019	The lesser of: (i) the Share Inflation on the date of purchase minus the Share Inflation on the date of sale; or (ii) the Purchase Price minus the Sale Price.
September 17, 2019 – September 30, 2019	The lesser of: (i) the Share Inflation on the date of purchase; or (ii) the Purchase Price minus the Sale Price.
October 1, 2019 – March 5, 2021	The lesser of (i) the Share Inflation on the date of purchase; (ii) the Purchase Price minus CAD$1.70; or (iii) the Purchase Price minus the Sale Price.
Held as of the closing on March 5, 2021	The lesser of (i) the Share Inflation on date of purchase; or (ii) the Purchase Price minus CAD$1.70.

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

TABLE B

Type of Share	Risk Adjustment
Offering Share	1
Secondary Share	0.8

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

11. The applicable Share Inflation amounts are as follows:

TABLE C – SHARE INFLATION	
June 1, 2018 – September 30, 2018	CAD$1.29
October 1, 2018 – July 7, 2019	CAD$5.02
July 8, 2019 – July 9, 2019	CAD$3.57
July 10, 2019 – July 11, 2019	CAD$3.05
July 12, 2019 – July 15, 2019	CAD$2.57
July 16, 2019 – July 23, 2019	CAD$2.09
July 24, 2019 – August 11, 2019	CAD$1.41
August 12, 2019 – September 16, 2019	CAD$0.24
September 17, 2019 before 3:13 p.m. ET[2]	CAD$0.24
September 17, 2019 at or after 3:13 p.m. ET and thereafter	CAD$0.00

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

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

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

VI. ADDITIONAL RULES

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

15. To the extent a Claimant had an aggregate market gain from his, her or its transactions in Eligible Securities, the value of his, her or its total Recognized Claim will be zero. To the extent that a Claimant suffered an aggregate market loss on transactions in Eligible Securities, but the aggregate market loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the aggregate market loss. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount and (ii) the sum of the Total Sales Proceeds and Holding Value.[3] This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period.

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

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

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

18. Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating a Recognized Loss Amount unless those Shares were initially purchased by the Claimant during the Class Period. The share price for such securities shall be calculated based on the share price initially paid for the Eligible Securities.

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

VII. REMAINING UNCLAIMED AMOUNTS

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

21. If funds remain in the Class Compensation Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have eligible Claimants cash their distributions, and after the payment of any taxes and outstanding fees and expenses of the Claims Administrator, including any fees and expenses to conduct an additional distribution, any balance remaining in the Class Compensation Fund at least six (6) months after the initial distribution of such funds shall be redistributed, if it is economically

feasible to do so, to eligible Claimants who have cashed their initial distributions and would receive at least $50.00 in such additional redistribution, in a manner consistent with this Allocation and Distribution Scheme.

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

IRREGULAR CLAIMS

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

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

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

26. Where the Claims Administrator disallows a claim, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last known email or postal

address, a notice advising the Claimant that the claim will be disallowed unless it is corrected and that he, she, or it may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of the Recognized Claim or his or her individual compensation.

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

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

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

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

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

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

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

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

SCHEDULE C
COOPERATION AGREEMENT – GENERAL PRINCIPLES

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

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

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

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

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

E. As soon as reasonably practicable after the CCAA Plan is implemented:

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

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

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

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

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

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

I. Subject to the rules of evidence or any court Order, CannTrust agrees to use reasonable efforts to produce at trial or through acceptable affidavits for use at trial a current representative qualified to establish the authenticity of the documents provided by

CannTrust pursuant to the Cooperation Agreement (after Class Counsel and counsel for the Securities Claimant Trust, as applicable, has used best efforts to authenticate documents for use at trial without a live witness).

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

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

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

SCHEDULE D
FORM OF RELEASE IN FAVOUR OF RELEASED PARTIES

FULL AND FINAL RELEASE

WHEREAS:

A. On March 31, 2020, CannTrust Holdings Inc., CannTrust Inc., CTI Holdings (Osoyoos) Inc. and Elmcliffe Investments Inc. (collectively, the "CannTrust Group") commenced proceedings under the Companies' Creditors Arrangement Act (the "CCAA").

B. Pursuant to the order dated ●, 2021 (the "Sanction Order"), the court supervising the CCAA proceedings of the CannTrust Group approved the plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. dated ●, 2021 (the "CCAA Plan").

C. Capitalized terms used in this full and final release (the "Release") and not otherwise defined have the meanings given to them in the CCAA Plan.

D. On ●, 2021, the CannTrust Plan Companies implemented its CCAA Plan and the releases and injunctions set out in the CCAA Plan and the Sanction Order became effective.

E. The Definitive Documents provide that, following the Effective Time, if the Securities Claimant Trust or Securities Claimants enter into a settlement with a Non-Settlement Party (a "Settlement"), they will obtain a full and final release from the Non-Settlement Party in favour of the Released Parties.

F. **[The Securities Claimants who are plaintiffs in the ● action / the Securities Claimant Trust]** and the undersigned, a Non-Settlement Party, have entered into a Settlement.

G. As a term of the Settlement, the undersigned has agreed to provide this Release to the Released Parties.

NOW THEREFORE, in consideration of the Settlement and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the undersigned agrees in favour of the Released Parties as follows (without limitation to the releases and injunctions set out in the CCAA Plan and the Sanction Order):

1. The undersigned hereby releases, remises and forever discharges each of the Released Parties from any and all Released Claims and Securities-Related Section 5.1(2) Claims, including without limitation any and all Securities-Related Claims and any and all Securities-Related Indemnity Claims.

2. The undersigned agrees not to make or threaten any claim or threaten, commence or continue any action or proceeding (including, without limitation, any subrogated claim, action or proceeding) against any other Person who has or could have, or which could result in, a Securities-Related Indemnity Claim or other claim relating to the Released

Claims or Securities-Related Section 5.1(2) Claims for contribution, indemnity or damages, against any of the Released Parties.

3. The undersigned agrees to indemnify and save harmless the Released Parties from any costs, expenses, losses or damages whatsoever incurred by the Released Parties in connection with or in any way related to defending or responding to any action or other proceeding brought by any other Person against the Released Parties for contribution, indemnity or damages, or any other claim over as a result of any action or other proceeding brought by the undersigned arising out of any matters relating to the Released Claims or the Securities-Related Section 5.1(2) Claims.

4. The undersigned represents, warrants and confirms that:

   (a) it does not hold any Non-Released CannTrust Claims;

   (b) it has executed this Release voluntarily, without any duress or undue influence on the part of any Person;

   (c) it has been advised by counsel of its choice with respect to the terms of this Release, the consequences of same, and the legal effects thereof;

   (d) there is no condition, express or implied, or collateral agreement affecting this Release; and

   (e) it is duly authorized to enter into this Release, and the performance of this Release by the undersigned requires no further consents or approvals from any Person.

5. This Release will inure to the benefit of each Released Party and will be binding upon the undersigned and, in each case, their respective heirs, executors, administrator, other legal representatives, successors and permitted assigns.

6. The rights and obligations of the undersigned under this Release are not assignable in whole or in part.

7. This Release is intended solely for the benefit of the Released Parties and, except as provided expressly herein, is not intended to (and will not) confer any benefit upon, or create any rights in favour of, any Person other than the Released Parties.

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

IN WITNESS WHEREOF the undersigned has executed this Release this • day of •, 20•.

•

Per: ____________________________________

Name:

Title:

SCHEDULE E

INSURERS (ADDITIONAL SETTLEMENT PARTIES) AND INSURANCE POLICIES

Insurer	Policy #	Policy Period
Allianz Global Risks US Insurance Company	CAF000845190	02/25/2019 - 02/25/2020
Markel Bermuda Limited	MKLB25GPL00008 98	02/25/2019 - 02/25/2020
Ascot Bermuda Limited f/k/a Ascot Reinsurance Company Limited Bermuda	UB19NG017C1X	02/25/2019 - 02/25/2020
Aspen Bermuda Limited	MLAC1E219A0Y	02/25/2019 - 02/25/2020
Assicurazioni Generali S.p.A. UK Branch	B0509FINMW1900 458	02/25/2019 - 02/25/2020
XL Specialty Insurance Company	ELU160098-19	02/25/2019 - 02/25/2020
Chubb Insurance Company of Canada	CODA028862	02/25/2019 - 02/25/2020
Newline Canada Insurance Limited	CAN19941801A	02/25/2019 - 02/25/2020
Allied World Assurance Company (Europe) DAC	B0509FINMW1900 454	02/25/2019 - 02/25/2020
Arch Insurance Canada Ltd.	ABX0062754-00	02/25/2019 - 02/25/2020

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

A COMMISSIONER, ETC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 9TH
	)	
MR. JUSTICE HAINEY	)	DAY OF APRIL, 2020

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

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order amending and restating the Initial Order (the "**Initial Order**") issued on March 31, 2020 (the "**Initial Filing Date**") and extending the stay of proceedings provided for therein was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Greg Guyatt sworn March 31, 2020 and the Exhibits thereto (the "**Guyatt Affidavit**"), the affidavit of Greg Guyatt sworn April 6, 2020 and the Exhibits thereto (the "**Second Guyatt Affidavit**"), the consent of Ernst & Young Inc. ("**EYI**") to act as the Monitor (in such capacity, the "**Monitor**"), the Pre-Filing Report of EYI in its capacity as the proposed Monitor dated March 31, 2020, and the First Report of the Monitor dated April 8, 2020, and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavit of Service of Trevor Courtis sworn April 7, 2020.

AMENDING AND RESTATING INITIAL ORDER

1. **THIS COURT ORDERS** that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that each of the Applicants' existing depository and disbursement banks (collectively, the "**Banks**") is authorized to debit the applicable Applicant's accounts in the ordinary course of business without the need for further order of this Court for: (i) all cheques drawn on the applicable Applicant's accounts which are cashed at such Bank's counters or exchanged for cashier's cheques by the payees thereof prior to the date of this Order; (ii) all cheques or other items deposited in one of the Applicant's accounts with such Bank prior to the date of this Order which have been dishonoured or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent an Applicant was responsible for such items prior to the date of this Order; and (iii) all undisputed pre-filing amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

8. **THIS COURT ORDERS** that any of the Banks may rely on the representations of the applicable Applicant with respect to whether any cheques or other payment order drawn or issued by the applicable Applicant prior to the date of this Order should be honoured pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the applicable Applicant as provided for herein.

9. **THIS COURT ORDERS** that (i) those certain existing deposit agreements between the Applicants and the Banks shall continue to govern the post-filing cash management relationship between the Applicants and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, (ii) either any of the Applicants, with the consent of the Monitor, or the Banks may, without further Order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts, and (iii) all control agreements in existence prior to the date of this Order shall apply.

10. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing Date:

(a) all outstanding and future wages, salaries, contract amounts, amounts payable pursuant to the CannTrust Capital Appreciation Plan (whether accrued prior to, on or after the Initial Filing Date), employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing Date to employees or contractors, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Applicants, or retained by employees or officers of the Applicants that the Applicants have agreed to reimburse, in respect of these proceedings, at their standard rates and charges; and

(c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if in the opinion of the Applicants the supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

11. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the

Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and

(c) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

12. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "**Sales & Excise Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales & Excise Taxes are accrued or collected after the Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

13. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the Initial Filing Date twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

14. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

15. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and

(c) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

16. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claims to the fixtures in dispute.

17. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

18. **THIS COURT ORDERS** that from the Initial Filing Date until and including July 5, 2020, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

19. **THIS COURT ORDERS** that during the Stay Period, none of the Pending Litigation (as defined in the Guyatt Affidavit) or any Proceeding in relation thereto shall be commenced, continued or take place against or in respect of any Person named as a defendant or respondent in any of the Pending Litigation (such Persons, the "**Other Defendants**"), except with leave of this Court, and any and all such Proceedings currently underway or directed to take place against or in respect of any of the Other Defendants, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

20. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding by, against or in respect of the Applicants or any of the Other Defendants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

21. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any

business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

22. **THIS COURT ORDERS** that, during the Stay Period, all rights and remedies of any Person against or in respect of Cannabis Coffee and Tea Pod Company Ltd., Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and O Cannabis We Stand on Guard For Thee Corporation (each, an "**Affected Party**", and collectively, the "**Affected Parties**") arising out of, relating to, or triggered by the insolvency of any of the Applicants, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings (collectively, the "**Cross-Default Matters**"), are hereby stayed and suspended except with the written consent of the relevant Applicants, the relevant Affected Party and the Monitor, or leave of this Court, and the operation of any provision of any agreement or other arrangement between any Person and any of the Affected Parties whether written or oral that purports to accelerate, terminate, cancel, suspend or modify such agreement or arrangement or create a right to purchase, a right of first refusal or a lien with respect to any property of an Affected Party as a result of any of the Cross-Default Matters is hereby stayed and restrained pending further order of this Court.

NO INTERFERENCE WITH RIGHTS

23. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

24. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of

such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

25. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

27. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

28. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $3.55 million, as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 and 59 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 27 of this Order.

APPOINTMENT OF MONITOR

30. **THIS COURT ORDERS** that EYI is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) review and approve Intercompany Advances (as defined below);

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;

(e) advise the Applicants in its development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;

(g) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;

(h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without

limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada) the *Controlled Drugs and Substances Act* (Canada), the *Excise Tax Act* (Canada), the *Cannabis Control Act* (Ontario), or other such applicable federal or provincial legislation ("**Cannabis Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation or the Cannabis Legislation, unless it is actually in possession.

34. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

36. **THIS COURT ORDERS** that the agreement dated as of March 27, 2020 pursuant to which the Applicants have engaged FTI Consulting Canada Inc. ("**FTI**") to act as Chief

Restructuring Officer ("**CRO**") and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit "G" to the Guyatt Affidavit (the "**CRO Engagement Letter**"), the execution of the CRO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

37. **THIS COURT ORDERS** that the CRO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

38. **THIS COURT ORDERS** that the CRO shall not, as a result of the performance of its obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, (ii) any of the Property, the administration and control of which is subject to the provisions of the Cannabis Legislation; however, if the CRO is nevertheless later found to be in Possession of any Property, then the CRO shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the CRO from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation.

39. **THIS COURT ORDERS** that the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO.

40. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the Applicant, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave.

41. **THIS COURT ORDERS** that the obligations of the Applicant to the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR ENGAGEMENT

42. **THIS COURT ORDERS** that the agreement dated as of April 3, 2020 pursuant to which the Applicants have engaged Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") to assist the Applicants in a review of strategic alternatives, a copy of which is attached as Exhibit "D" to the Second Guyatt Affidavit (the "**Financial Advisor Engagement Letter**"), the execution of the Financial Advisor Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the Financial Advisor pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

43. **THIS COURT ORDERS** that the Financial Advisor shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

44. **THIS COURT ORDERS** that the Financial Advisor shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor.

45. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or with leave of this Court on notice to the Applicant, the Monitor and the Financial Advisor. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the Financial Advisor at least seven (7) days prior to the return date of any such motion for leave.

46. **THIS COURT ORDERS** that the obligations of the Applicant to the Financial Advisor pursuant to the Financial Advisor Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of the Applicants.

ADMINISTRATION CHARGE

47. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, the Financial Advisor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, the Financial Advisor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

48. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

49. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1.4 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, both before and after the Initial Filing Date in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 57 and 59 hereof.

TRANSACTION FEE CHARGE

50. THIS COURT ORDERS that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the "**Transaction Fee Charge**") on the Property, as security for the Transaction Fee (as defined the Financial Advisor Engagement Letter). The Transaction Fee Charge shall have the priority set out in paragraphs 57 and 59 hereof.

INTERCOMPANY FINANCING

51. **THIS COURT ORDERS** that CannTrust Holdings Inc. (the "**Intercompany Lender**") is authorized to loan to each of CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. (each, an "**Intercompany Borrower**"), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the "**Intercompany Advances**"), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

52. **THIS COURT ORDERS** that the Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing Date. The Intercompany Charge shall have the priority set out in paragraphs 57 and 59 hereof.

53. **THIS COURT ORDERS AND DECLARES** that the Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or any proposal filed under the BIA in respect of the Applicants, with respect to any Intercompany Advances made on or after the Initial Filing Date.

KERP AND KERP CHARGE

54. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described and defined in the Second Guyatt Affidavit, for the benefit of the Key Employees (as defined in the Second Guyatt Affidavit) is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms and conditions of the KERP.

55. **THIS COURT ORDERS** that the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of $1.4 million to secure amounts owing to the Key Employees under the KERP. The KERP Charge shall have the priority set out in paragraphs 57 and 59 hereof.

56. **THIS COURT ORDERS** that the unredacted version of the KERP, a copy of which is attached as Confidential Exhibit "B" to the Second Guyatt Affidavit, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge and the Intercompany Charge (the "**Charges**"), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of $1.4 million);

Second – Directors' Charge (to the maximum amount of $3.55 million);

Third – KERP Charge (to the maximum amount of $1.4 million);

Fourth – Transaction Fee Charge;

Fifth – Intercompany Charge.

58. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

59. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

60. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

61. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

62. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

63. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses in relation to any filings, disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities**

Filings") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange, and the NYSE Listed Company Manual and other rules, regulations and policies of the New York Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

64. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, the Monitor (and its directors, officers, employees and representatives), nor the CRO shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

SERVICE AND NOTICE

65. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

66. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-

commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.ey.com/ca/canntrust.

67. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

68. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

69. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

70. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding,

or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

71. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is 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, and that CannTrust Holdings Inc. is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in the United States and any other jurisdiction outside Canada.

72. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

73. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

APR 1 5 2020 JP

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

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

AMENDED AND RESTATED INITIAL ORDER

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

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

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

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

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

DOC#: 19528138

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

A COMMISSIONER, ETC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 16th
	)	
MR. JUSTICE PATTILLO	)	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.

Applicants

ORDER
(Stay Extension, Ongoing CCAA Relief and Plan Implementation Matters)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (i) granting certain relief to facilitate the implementation of the fourth amended and restated plan of arrangement dated July 6, 2021 (the "**CCAA Plan**") of CannTrust Holdings Inc. ("**Holdings**"), CannTrust Inc. and Elmcliffe Investments Inc. (collectively, the "**CannTrust Plan Companies**"), including certain amendments to the plan sanction order dated July 16, 2021 (the "**CCAA Sanction Order**"); (ii) extending the stay of proceedings granted pursuant to the initial order dated March 31, 2020 in these proceedings (as amended from time to time, the "**Initial Order**"), up to and including January 31, 2022; (iii) granting ongoing CCAA relief pending a financing transaction, acquisition or orderly wind-down; and (iv) authorizing Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") to accept, revise or disallow (in whole or in part) the Specified Late Claims (defined below), was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING (i) the affidavit of Greg Guyatt sworn December 10, 2021 (the "**Guyatt Affidavit**"), and (ii) the Sixteenth Report of Ernst & Young Inc. in its capacity as the Monitor, dated December 3, 2021 (the "**Sixteenth Report**") and the Supplement to the Sixteenth Report of the Monitor dated December 15, 2021 (the "**Supplement to the Sixteenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record of the Applicants, including the Amended Notice of Motion, in support of this motion and the Sixteenth Report and Supplement to the Sixteenth 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 all capitalized terms used and not defined in this Order shall have the meanings given to them in the Guyatt Affidavit.

PLAN IMPLEMENTATION MATTERS

3. **THIS COURT ORDERS** that the Articles of Reorganization attached as Appendix "A" to the Supplement to the Sixteenth Report are approved for the purposes of paragraph 8 of the CCAA Sanction Order.

4. **THIS COURT ORDERS AND DECLARES** that each of the Insurers listed in Schedule E to the CCAA Plan and Peter Aceto has executed and delivered an Additional RSA as required by the CCAA Plan and, as such, each is an Additional Settlement Party in accordance with the definition thereof for the purposes of the CCAA Plan and CCAA Sanction Order, subject to the other provisions of the CCAA Plan including Section 7.1(4) thereof, and no amendment of the CCAA Plan pursuant to Section 7.1(3) thereof is required to designate them as Additional Settlement Parties.

5. **THIS COURT ORDERS AND DECLARES** that the CCAA Sanction Order, as amended pursuant to this Order, satisfies the Plan Implementation Condition set out in Section 9.1(b).

6. **THIS COURT ORDERS** that, without limitation to the payments permitted by the Initial Order or contemplated by the CCAA Plan, CannTrust Holdings may make payments in respect of any claims in existence or arising from time to time against CannTrust Holdings that are not Affected Claims in the CCAA Plan, with approval of the Monitor.

ONGOING CCAA RELIEF

7. **THIS COURT ORDERS** that except as may be necessary to give effect to this Order, the Initial Order and any other Order granted by this Court in these proceedings shall remain in full force and effect and these CCAA Proceedings will continue in respect of the CannTrust Plan Companies following the Plan Implementation Date until further Order of the Court, notwithstanding the CCAA Sanction Order and the implementation of the CCAA Plan.

8. **THIS COURT ORDERS** that Paragraph 37(c) of the CCAA Sanction Order is hereby replaced with the following paragraph:

> "other than as expressly set out herein and subject to any other Orders in the CCAA Proceedings, the provisions of the Initial Order shall continue in full force and effect in accordance with its terms until further Order of the Court"

9. **THIS COURT ORDERS** that Paragraph 45 of the CCAA Sanction Order is hereby replaced with the following paragraph:

> **"THIS COURT ORDERS** that each of the Charges (as each is provided for and defined in the Initial Order, as amended and restated by the DIP Approval Order dated April 30, 2021) shall continue in full force and effect and shall not be discharged at the Effective Time, subject to a further order of the Court."

10. **THIS COURT ORDERS** that, notwithstanding paragraph 54 of the CCAA Sanction Order, the Monitor shall not file the Monitor's Discharge Certificate until further Order of the Court.

11. **THIS COURT ORDERS** that the KERP Amendment, as described and defined in the Supplement to the Sixteenth Report of the Monitor is hereby approved and the Applicants are authorized and directed to make payment in accordance with the terms and conditions of the KERP, as amended by the KERP Amendment.

MONITOR'S ENHANCED POWERS

12. **THIS COURT ORDERS** that in addition to the powers and duties set out in the Initial Order, or any other Order of this Court in these proceedings, and without altering in any way the limitations and obligations of the Applicants as a result of these proceedings, if all directors of CannTrust Holdings resign then from and after the time at which all such resignations become effective until further Order of the Court, the Monitor be and is hereby authorized and empowered, but not required, to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf, and in the name of an Applicant or all Applicants, in order to facilitate the performance of any ongoing contracts and business operations of the Applicants, and to carry out the Monitor's duties under this Order or any other Order of this Court in these proceedings;

(b) cause the Applicants to exercise any powers which may properly be exercised in the Applicants' capacity as shareholder(s) of any subsidiary of the Applicants;

(c) exercise any powers which may be properly exercised by a board of directors of any of the Applicants;

(d) cause the Applicants to retain the services of any person as an employee, consultant, or other similar capacity of one or more of the Applicants, all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(e) operate and control on behalf of the Applicants any of the Applicants' existing accounts at any financial institution (the "**Company Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties, including the ability to add or remove persons having signing authority with respect to any of the Company Accounts;

(f) conduct, supervise and direct (i) any Restructuring activity of the Applicants permitted by the Initial Order; (ii) the commencement or continuation of any negotiations with potential strategic investors, lenders or other transaction parties (subject to Court approval of any transaction prior to its implementation unless otherwise permitted without further Court approval by the Initial Order or this Order); and (iii) the commencement or continuation of any process or effort to recover property or other assets (including accounts receivable) belonging or owing to any of the Applicants, including any direct or indirect subsidiaries;

(g) cause the Applicants to administer the business, affairs and operations of the Applicants as the Monitor considers necessary or desirable for the purpose of completing any suspension or wind-down of operations or any transaction for the sale of all or any portion of the Property (as defined in the Initial Order) or the Business (as defined in the Initial Order);

(h) engage assistants or advisors or cause the Applicants to engage assistants or advisors as the Monitor deems necessary or desirable to carry out the terms of the Initial Order or any other Order made in these proceedings, provide instructions to such assistants or advisors, including legal counsel to the Applicants, and all such persons shall be deemed to be "Assistants" under the Initial Order;

(i) administer the Applicants' claims process established pursuant to the Claims Procedure Order granted on May 8, 2021 and any other claims bar and/or claims resolution processes or protocols as may be approved by Order of this Court in these proceedings;

(j) cause the Applicants to perform their respective obligations under the CCAA Plan and the Settlement-Related Agreements;

(k) cause the Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property or operations, restructuring, wind-down, liquidation, distribution of proceeds, or any other related activities;

(l) meet with and direct management or employees of and persons retained by the Applicants with respect to any of the foregoing including, without limitation, CCAA Plan implementation, operational, strategic transaction, financing, wind-down, sale and liquidation matters; and

(m) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

13. **THIS COURT ORDERS** that the enhancement of the Monitor's powers as set forth in this Order, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the employment by the Monitor of any person in connection with its appointment and the performance of its powers and duties shall not constitute the Monitor as the employer, successor employer or related employer of the employees of the Applicants within the meaning of any provincial, federal, or municipal legislation, or common law governing employment, pensions or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Monitor to liability to any individual arising from or relating to their previous employment by the Applicants.

14. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order, all employees and consultants of the Applicants shall remain employees or consultants of the Applicants until such time as the Monitor, on the Applicants' behalf, may terminate the employment of such employees or other contractual or consulting arrangements. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, bonuses, severance pay, termination pay, vacation pay and pension or benefit amounts.

15. **THIS COURT ORDERS** that the Monitor is not and shall not be or be deemed to be, a director, officer, or employee of the Applicants.

16. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order, the Applicants shall remain in possession and control of the Property and the Business and that the Monitor shall not take possession and control of the Property, the Business, or any part thereof.

17. **THIS COURT ORDERS** that the Monitor shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties or the carrying out of the provisions of this Order.

18. **THIS COURT ORDERS** that the Applicants shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers as set out in the Initial Order, this Order, or any other Order of this Court under the CCAA or applicable law generally.

19. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of any of the Applicants within the meaning of any relevant legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants themselves.

20. **THIS COURT ORDERS** that, for greater certainty, nothing in this Order shall derogate from the role of the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings who shall in each case continue to be paid their respective professional fees and disbursements in accordance with the Initial Order and to be entitled to the benefit of the protections and priorities set out in the Initial Order in connection with their respective professional fees and disbursements incurred in respect of these proceedings after the date of this Order.

21. **THIS COURT ORDERS** that the power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the

Applicants with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

SPECIFIED LATE CLAIMS

22. **THIS COURT ORDERS** that notwithstanding that the Late Claims that are identified and described in the Sixteenth Report (the "**Specified Late Claims**") were filed after the Pre-Filing Claims Bar Date as defined in the Claims Procedure Order, the Monitor is hereby authorized to accept, revise or disallow (in whole or in part) such Specified Late Claims in consultation with the Applicants and in accordance with the Claims Procedure Order and where the Specified Late Claim is so accepted by the Monitor, such Claim shall constitute such Claimant's Proven Claim (as such terms are defined in the Claims Procedure Order).

EXTENSION OF THE STAY PERIOD

23. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) be and is hereby extended to January 31, 2022, or such other date as this Court may order.

GENERAL

24. **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.

25. **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.

26. **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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

____

Court File No./N° du dossier du greffe: CV-20-00638930-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Stay Extension, Ongoing CCAA Relief and Plan Implementation Matters)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43186557

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

A COMMISSIONER, ETC.

PURCHASE & SALE AGREEMENT

THIS AGREEMENT is made as of January 24, 2022.

BETWEEN:

CANNTRUST INC.
(the "**Seller**")

– and –

BLOOM BURTON INVESTMENT GROUP INC.
(the "**Buyer**")

RECITALS:

1. The Seller, together with certain related entities (the "**Applicants**"), sought and obtained an initial order pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") on March 31, 2020 (as amended from time to time, the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) in Toronto (the "**Court**") and continues to be subject to CCAA protection.

2. The Initial Order appoints Ernst & Young Inc. as the monitor (in such capacity, the "**Monitor**") to monitor the business and financial affairs of the Applicants, and provides that the Applicants may pursue all avenues of selling their Property (as defined therein), subject to prior approval of the Court being obtained prior to any material sale.

3. In the CCAA Proceedings, the Court, among other things, authorized the Applicants to borrow under a CCAA interim financing and exit credit facility provided by Cortland Credit Lending Corporation in its capacity as administrative agent (the "**Agent**") on behalf of itself, its affiliates and other lenders to be designated from time to time (collectively, the "**DIP Lender**") and charges were granted over the Applicants' property, including in respect of such borrowings.

4. The Seller wishes to sell and the Buyer wishes to purchase the Shares (as defined herein) and Debenture Units (as defined herein and, together with the Shares, the "**Securities**") of Grey Wolf Animal Health Inc. (the "**Corporation**") for cash upon and subject to the terms and conditions hereinafter set forth.

IN CONSIDERATION of the premises and the mutual agreements in this Agreement, and of other consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties (as hereinafter defined) agree as follows.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the terms herein shall have the following meanings:

"**Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions refers to this purchase and sale agreement, as the same may be supplemented, amended, restated or replaced from time to time;

"**Board**" means the board of directors of the Corporation;

"**Closing**" means the completion of the sale to, and purchase by the Buyer of, the Securities pursuant to this Agreement;

"**Closing Date**" means February 8, 2022 or such other day as the Parties mutually agree as the date that the Closing shall take place;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Debenture Units**" means the debenture units owned by the Seller, consisting of an aggregate of 750 Debentures and 150,000 Warrants;

"**Debentures**" means the $1,000 principal amount unsecured 6% convertible debentures of the Corporation;

"**Encumbrance**" means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and (ii) all court ordered charges granted in the Initial Order and the DIP Approval Order issued by the Court in the Applicants' CCAA proceedings on April 30, 2021;

"**Parties**" means the Buyer and the Seller, and "**Party**" means either one of them;

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a governmental authority, and the executors, administrators or other legal representatives of an individual in such capacity;

"**Purchase Price**" means the total purchase price of the Securities to be paid by the Buyer to the Seller for the Securities as set out in Section 2.3 of this Agreement;

"**Shares**" means the 769,231 Common Shares owned by the Seller, and "**Share**" means any one of such Shares;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Transaction**" means the transaction contemplated in this Agreement; and

"**Warrants**" means Common Share purchase warrants, with each Warrant being exercisable for one Common Share at an exercise price of $2.00 per Common Share until December 20, 2022.

ARTICLE 2
PURCHASE AND SALE OF SECURITIES

2.1 **Purchase and Sale of Securities** – The Buyer agrees to purchase the Securities from the Seller and the Seller agrees to sell and transfer the Securities to the Buyer on the terms and conditions contained in this Agreement.

2.2 **"As is, Where is"** – The Buyer acknowledges that, subject to the express representations and warranties of the Seller contained in this Agreement, (i) the Seller is selling the Securities on an "as is, where is" basis as they exist on the Closing Date, and that as of the Closing Date, the Seller will have no further obligation or responsibility to the Buyer; (ii) no representation, warranty or condition is expressed or can be implied in respect of any matter or thing concerning the Securities or the right of the Seller to sell them and the sale is without recourse to the Seller or any of its directors, officers, shareholders, representatives or advisors, or the Monitor, other than for knowing and intentional fraud; (iii) the Buyer has relied and will continue to rely entirely and solely on its own investigations and review and acknowledges that it is not relying on any information furnished by the Seller or any other Person on behalf of or at the direction of the Seller in connection therewith; and (iv) no statements or representations by any Person have induced or influenced the Buyer to enter this Agreement or to agree to any of its terms, or have been relied on in any way by the Buyer as being accurate or important to the Buyer's decision to enter this Agreement or agree to any of its terms.

2.3 **Purchase Price** – The Purchase Price shall be CAD$1,100,000.

2.4 **Payment of Purchase Price** – The Purchase Price will be paid and satisfied by payment by the Buyer to the Seller, or as directed by the Seller, on the Closing Date by wire transfer, bank draft or cheque.

2.5 **Conditions – Approval & Vesting Order and DIP Lender Consent** – The obligations of the Seller and Buyer to complete the Transaction are subject to fulfilment of the following conditions at or prior to Closing:

(i) An order will have been made by the Court approving this Agreement and the Transaction, authorizing the Seller to enter into this Agreement *nunc pro tunc* and vesting the Securities in the Buyer free from Encumbrances (the "**Approval & Vesting Order**");

(ii) The Approval & Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction; and,

(iii) The Agent on behalf of the DIP Lender shall have provided written evidence of the DIP Lender's consent to the Transaction (the "**DIP Lender Consent**").

ARTICLE 3
REPRESENTATIONS WARRANTIES AND COVENANTS

3.1 **Representations and Warranties of the Seller** – The Seller represents, warrants and covenants to the Buyer that, subject to receipt of the Approval & Vesting Order and DIP Lender Consent:

(i) **Organization and Good Standing**. The Seller is duly incorporated, validly existing and in good standing under the laws of Ontario.

(ii) **Title.** Except for the Buyer's right under this Agreement, the Seller is, and will be immediately prior to Closing on the Closing Date, the sole legal and beneficial owner of the Securities with good and marketable title thereto and exclusive and absolute authority to possess and sell such Securities to the Buyer.

(iii) **Authority, Capacity and Enforceability**. The Seller has all the necessary corporate and/or other power, capacity and authority as is required by all laws applicable to it to enable it to enter into, execute and deliver this Agreement and to observe and perform all of the terms, conditions and provisions of this Agreement which are required to be observed and performed by it.

(iv) **Encumbrances.** The Seller has no knowledge of any Encumbrances on the Securities, other than the transfer restriction provided for pursuant to Section 2.5 of National Instrument 45-102 - *Resale of Securities* that will not be vested out by the Approval & Vesting Order.

(v) **Due Execution.** This Agreement has been duly executed and delivered by the Seller and the provisions hereof constitute legal, valid and binding obligations of the Seller enforceable against it in accordance with its terms.

(vi) **No Breach.** The Seller is not a party to, bound or effected by or subject to any indenture, mortgage, lease, agreement, instrument, charter or by-law provision, statute, rule, regulation, judgment, order, writ, decree or law which, with or without the giving of notice or the lapse of time, or both, would be violated, contravened, breached by, or under which default would occur as a result of the execution, delivery and performance of this Agreement or the consummation of any of the transactions provided for herein.

(vii) **Residency**. The Seller is not a "non-resident" of Canada within the meaning of the Tax Act.

(viii) **Consents.** Other than such as have been obtained at or before the time of the consummation of the transaction provided for herein, no consent, authorization or approval of, or exemption by, any governmental or public body or authority, or by any Person, whether pursuant to contract or otherwise, is required in connection with the execution, delivery and performance of this Agreement by the Seller.

3.2 **Representations and Warranties of the Buyer** – The Buyer represents and warrants to the Seller that:

(i) **Organization and Good Standing**. The Buyer is duly incorporated, validly existing and in good standing under the laws of the Province of Ontario.

(ii) **Authority, Capacity and Enforceability**. The Buyer has all the necessary corporate and/or other power and authority as is required by all laws applicable to it to enable it to enter into, execute and deliver this Agreement and to observe and perform all of the terms, conditions and provisions of this Agreement which are required to be observed and performed by it. This Agreement constitutes a valid and binding obligation of the Buyer, enforceable against it in accordance with its terms.

(iii) **Securities Laws**. The Buyer is (A) an Accredited Investor as defined in National Instrument 45-106 *Prospectus Exemptions* and was not created and is not being used solely to purchase or hold securities in reliance on such exemption, (B) not at 'non-arm's length to the Corporation as defined in the Tax Act, and (C) not, prior to the acquisition of the Securities, a control person, as defined in the Tax Act, of the Corporation.

ARTICLE 4
SURVIVAL AND INDEMNITY

4.1 **Survival of Representations and Warranties** – The representations and warranties of each of the Parties shall survive Closing and the payment of the Purchase Price and shall continue in full force and effect to the maximum extent permitted by law.

4.2 **Indemnification of Buyer** – The Seller covenants and agrees to indemnify and save harmless the Buyer from any loss, damages, liabilities, costs and expenses suffered by the Buyer directly or indirectly as a result of or arising out of any breach of a representation, warranty or covenant of the Seller contained in this Agreement.

4.3 **Indemnification of Seller** – The Buyer covenants and agrees to indemnify and save harmless the Seller from any loss, damages, liabilities, costs and expenses suffered by the Seller directly or indirectly as a result of or arising out of any breach of a representation, warranty or covenant of the Buyer contained in this Agreement.

ARTICLE 5
LEGEND

5.1 **Acknowledgement of Legend** – The Buyer understands and acknowledges that the Securities and the Common Shares issuable upon conversion of the Debentures and exercise of the Warrants will bear a legend in substantially the following form:

5.2

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) DECEMBER 20, 2018, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

ARTICLE 6
CLOSING

6.1 **Deliveries by Seller.** On the Closing Date the Seller shall deliver, or cause to be delivered, the following documents to the Buyer:

(i) the certificates representing the Securities in the name of the Seller endorsed for transfer to the Buyer or accompanied by duly executed instruments of transfer; and

(ii) a copy of resolutions of Board approving and authorizing the transfer of the Securities from the Seller to the Buyer, the registration of the Securities in the name of the Buyer (or in the name(s) of such other accredited investor(s) as the Buyer may direct) and the issue of the certificates representing the Securities so registered (provided that, if and to the extent that any of the Securities are to be transferred to and registered in the name of persons other than the Buyer, each such person shall represent that he, she, it or they is an accredited investor and shall not be a third party beneficiary of any of the Seller's representations, warranties, covenants or indemnities under this Agreement).

6.2 **Deliveries by Buyer.** On the Closing Date, the Buyer shall deliver, or cause to be delivered, the following to the Seller:

(i) payment of the Purchase Price; and

(ii) all such other documents, instruments, records, conveyances, assignments, assurances, consents and certificates which, in the opinion of the Seller, acting reasonably, are necessary to effect and evidence the transfer of the Securities to the Buyer free and clear of all Encumbrances.

ARTICLE 7
GENERAL

7.1 **Applicable Law** – This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.2 **Currency** – Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to Canadian dollars.

7.3 **Counterparts and Facsimile** – This Agreement may be executed and delivered by facsimile transmission or scanned PDF file format in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

7.4 **Entire Agreement and Waiver** – This Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof, and supersedes any and all prior agreements, arrangements and understandings with respect to the subject matter hereof and may be modified only by a written instrument duly executed by each Party affected by any such modification. No misrepresentation and no breach of any covenant, agreement or warranty made herein will be deemed waived unless expressly waived in writing by the Party who might assert such breach, and no such waiver will constitute a waiver of any other provision hereof (whether or not similar) or a continuing waiver.

7.5 **Time of Essence** – Time shall be of the essence of this Agreement and every part hereof and no extension of this Agreement or any part hereof shall operate as a waiver of this provision.

7.6 **Non-Recourse** - The Buyer acknowledges and agrees that the sale and transfer of the Securities shall be without recourse to the Seller after Closing, the Seller has no liability for obligations of the Corporation, and that no past, present or future director, officer, employee, or advisor of the Seller, in such capacity, shall have any liability for any obligations or liabilities of the Seller, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction or for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

7.7 **Further Assurances** – From time to time after the date hereof, upon reasonable notice and without further consideration and subject to any applicable direction of the Court, each Party will execute, acknowledge and deliver all such other documents and will take all such other action as the other Party may reasonably require to carry out the intent and purposes of this Agreement and to consummate the Transaction.

7.8 **Independent Legal Advice** – Each Party hereby acknowledges that each Party has had an opportunity to obtain independent legal advice before signing this Agreement and agrees that such advice has been obtained or that it does not wish to seek or obtain such independent advice. Each Party further acknowledges that it has read this Agreement and fully understands the nature and effect of it and the terms contained herein and that the said terms are fair and reasonable and correctly sets out each Party's understanding and intention.

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been executed by all of the parties hereto effective as of the date first set out above.

CANNTRUST INC.

Per: David Blair

Name: David Blair

Title: Interim CFO

BLOOM BURTON INVESTMENT GROUP INC.

Per:

Name: MICHAEL BROWN

Title: CEO

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

A COMMISSIONER, ETC.

Certificate of Incorporation
Certificat de constitution

This is to certify that

Ceci certifie que

GREYTRUST INC.

Ontario Corporation No.

Numéro matricule de la personne morale en Ontario

002632782

is a corporation incorporated, under the laws of the Province of Ontario.

est une société constituée aux termes des lois de la province de l'Ontario.

These articles of incorporation are effective on

Les présents statuts constitutifs entrent en vigueur le

APRIL 27 AVRIL, 2018

Barbara Duckitt

Director/Directeur
Business Corporations Act/Loi sur les sociétés par actions

Request ID / *Demande n°*

21578786

Ontario Corporation Number
Numéro de la compagnie en Ontario

2632782

FORM 1 / *FORMULE NUMÉRO 1*

BUSINESS CORPORATIONS ACT / *LOI SUR LES SOCIÉTÉS PAR ACTIONS*

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: / *Dénomination sociale de la compagnie:*

   GREYTRUST INC.

2. The address of the registered office is: / *Adresse du siège social:*

   181 BAY STREET Suite 2100

   (Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
   (Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)

   TORONTO ONTARIO
   CANADA M5J 2T3

   (Name of Municipality or Post Office) *(Nom de la municipalité ou du bureau de poste)*
   (Postal Code/*Code postal)*

3. Number (or minimum and maximum number) of directors is: / *Nombre (ou nombres minimal et maximal) d'administrateurs:*

   Minimum 1 Maximum 10

4. The first director(s) is/are: / *Premier(s) administrateur(s):*

First name, initials and surname / *Prénom, initiales et nom de famille* Address for service, giving Street & No. or R.R. No., Municipality and Postal Code / *Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal*	Resident Canadian State Yes or No / *Résident Canadien Oui/Non*
* DR. IAN SANDLER 181 BAY STREET Suite 2100 TORONTO ONTARIO CANADA M5J 2T3	YES

Request ID / *Demande n°*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
21578786	2632782

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

No restrictions.

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

An unlimited number of common shares

Request ID / *Demande n°*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
21578786	2632782

7. **Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:**
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:

As prescribed by the Business Corporations Act.

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No shares issued by the Corporation shall be transferred without the approval of:

(a) the directors of the Corporation, expressed by a resolution of the board of directors;

or

(b) the holders of the voting shares of the Corporation, expressed by a resolution of the holders of such shares.

Request ID / *Demande n°* 21578786

Ontario Corporation Number
Numéro de la compagnie en Ontario 2632782

9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

It shall be a condition of these Articles that:

1. The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

2. Any invitation to the public to subscribe for securities of the Corporation is prohibited.

3. Each holder of fractional voting shares issued by the Corporation is entitled to exercise voting rights and to receive dividends in respect of each such fractional share to the extent of such fraction.

4. No securities, other than non-convertible debt securities, shall be transferred without the approval of:

(a) the directors of the Corporation, expressed by a resolution of the board of directors;

or

(b) the holders of the voting shares of the Corporation, expressed by a resolution of the holders of such shares.

Request ID / *Demande n°*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
21578786	2632782

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name or corporate name
Prénom, initiale et nom de famille ou dénomination sociale

Full address for service or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code
Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal

* Dr. Ian Sandler

181 BAY STREET Suite 2100

TORONTO ONTARIO
CANADA M5J 2T3

Name of Corporation	Ontario Corporation Number
GREYTRUST INC.	2632782
	Request ID
	21578786

ADDITIONAL INFORMATION FOR ELECTRONIC INCORPORATION

CONTACT PERSON

First Name: Karen
Last Name: Slater

Name of Law Firm: Baker & McKenzie LLP

ADDRESS

Street #	Street Name	Suite #
181	Bay Street, Suite 2100	2100

Additional Information: Brookfield Place, Bay/Wellington Tower
City: Toronto

Province	Country	Postal Code
ONTARIO	CANADA	M5J 2T3

TELEPHONE #: 416-814-3305

NUANS SEARCH DETAILS

Corporate Name Searched on NUANS (1)	NUANS Reservation Reference #
GREYTRUST INC.	120439821
	Date of NUANS Report
	2018/04/05

Name of Corporation	Ontario Corporation Number
GREYTRUST INC.	**2632782**
	Request ID
	21578786

ELECTRONIC INCORPORATION TERMS AND CONDITIONS

The following are the terms and conditions for the electronic filing of Articles of Incorporation under the Ontario *Business Corporations Act* (OBCA) with the Ministry of Government Services.
Agreement to these terms and conditions by at least one of the incorporators listed in article 10 of the Articles of Incorporation is a mandatory requirement for electronic incorporation.

1) The applicant is required to obtain an Ontario biased or weighted NUANS search report for the proposed name. The applicant must provide the NUANS name searched, the NUANS reservation number and the date of the NUANS report. The NUANS report must be kept in electronic or paper format at the corporation's registered office address.

2) All first directors named in the articles must sign a consent in the prescribed form. The original consent must be kept at the corporation's registered office address.

3) A Corporation acquiring a name identical to that of another corporation must indicate that due diligence has been exercised in verifying that the Corporation meets the requirements of Subsection 6(1) of Regulation 62 made under the OBCA. Otherwise, the Corporation is required to obtain a legal opinion on legal letterhead signed by a lawyer qualified to practise in Ontario that clearly indicates that the corporations involved comply with Subsection 6(2) of that Regulation by referring to each clause specifically. The original of this legal opinion must be kept at the Corporation's registered office address. The applicant must complete the electronic version of this legal opinion provided by one of the Service Providers under contract with the Ministry.

4) The date of the Certificate of Incorporation will be the date the articles are updated to the ONBIS electronic public record database. Articles submitted electronically outside MGS, ONBIS access hours, will receive an endorsement date effective the next business day when the system resumes operation, if the submitted Articles of Incorporation meet all requirements for electronic incorporation. Articles of Incorporation submitted during system difficulties will receive an endorsement date effective the date the articles are updated to the ONBIS system.

5) The electronic Articles of Incorporation must be in the format approved by the Ministry and submitted through one of the Service Providers under contract with the Ministry.

6) Upon receipt of the Certificate of Incorporation issued by the ONBIS system, a duplicate copy of the Articles of Incorporation with the Ontario Corporation Number and the Certificate of Incorporation must be kept in paper or electronic format. The Ministry will print and microfilm copies of the Certificate of Incorporation, the Articles of Incorporation and any other documentation submitted electronically. These will be considered the true original filed copies.

7) The sole responsibility for correctness and completeness of the Articles of Incorporation, and for compliance with the OBCA and all regulations made under it, lies with the incorporator(s) and/or their legal advisor(s), if any.

The incorporator(s) have read the above Terms and Conditions and they understand and agree to them.

I am an incorporator or I am duly authorized to represent and bind the incorporator(s).

First Name	Last Name
Dr. Ian	Sandler

THIS IS EXHIBIT "F" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022

N Rambaran

A COMMISSIONER, ETC.

Call Option Agreement

CannTrust Inc.

and

David Oshlack

and

Cannatrek Limited
ACN 056 175 369

Date: 18 January 2022

Table of Contents

Call Option Agreement (Shares)

Date

Parties

1. **CannTrust Inc.,** a company incorporated under the laws of the Province of Ontario, Canada of 3280 Langstaff Road, Unit 1, Vaughan, Ontario, L4K 4Z8 (**Shareholder**)

2. **David Oshlack** of Level 7, 333 Collins Street, Melbourne, Victoria 3000 (**Optionholder**)

3. **Cannatrek Ltd** ACN 056 175 369 of Level 7, 333 Collins Street, Melbourne, Victoria 3000 (**Company**)

Background

A. The Shareholder is subject to a proceeding before the Ontario Court Superior Court of Justice (Commercial List) (**Court**) pursuant to the *Companies' Creditors Arrangement Act* (Canada) (**CCAA**) and is a borrower under a secured "debtor-in-possession" ("**DIP Loan**") that has been approved by the Court in accordance with the CCAA.

B. The Shareholder holds 32,778,922 fully paid ordinary shares in the capital of the Company described in the Schedule (**Option Shares**).

C. The Shareholder has agreed to grant to the Optionholder an option to buy the Option Shares on the terms and conditions of this Agreement.

D. The Company and the Shareholder are parties to the Subscription Agreement.

E. The Company and the Shareholder have agreed to terminate the Subscription Agreement on the terms and subject to the conditions herein.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

Agreement means this agreement including the background, any schedules and any annexures;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria;

Company means Cannatrek Ltd ACN 056 175 369 of Level 7, 333 Collins Street, Melbourne, Victoria 3000;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Encumbrance means:

(a) any:

(i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or

(ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

(b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset;

(c) a security interest as defined in the *Personal Property Securities Act 2009 (Cth)*; or

(d) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in (a), (b) or (c);

Exercise Completion in relation to the Option Shares, means the completion of the transfer of some or all of the Option Shares by the Shareholder to the Optionholder under clause 7, as applicable from time to time;

Exercise Completion Date has the meaning set out in clause 6.4;

Exercise Date means the date of exercise of the Option by the Optionholder in relation to Option Shares, as applicable;

Exercise Notice has the meaning set out in clause 6.3;

Exercise Price means the amount in dollars calculated by multiplying the number of Option Shares subject to an Exercise Notice by the Specified Share Price;

Expiry Date means continuous / rolling periods of 14 days from the date of this Deed, until written notice is given by the Shareholder in which case, the expiry of this Deed will occur at the end of the following 14 day period after the date of the notice;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental, local governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Insolvency Event means, in relation to the Company or a Party, the occurrence of any one or more of the following events or circumstances:

(a) its winding up, liquidation or provisional liquidation;

(b) the appointment of an administrator under the Corporations Act;

(c) the appointment of a controller (as defined in the Corporations Act) or analogous person to it or any of its property;

(d) being deregistered as a company or other body corporate or otherwise dissolved;

(e) being unable to pay any of its debts as and when due and payable or being deemed to be insolvent under any Law;

(f) seeking protection from its creditors under any Law or entering into a compromise, moratorium, assignment, composition or arrangement with, or for the benefit of, any of its members or creditors;

(g) it otherwise becomes a Chapter 5 body corporate, as defined in the Corporations Act;

(h) an analogous event or circumstance to any listed above occurs in any jurisdiction;

(i) suspending or threatening to suspend payment of its debts as and when they become due;

(j) ceasing or threatening to cease to carry on business; or

(k) taking any step or being the subject of any action that is preparatory to, or reasonably likely to result in, any of the above,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation;

Law means:

(a) principles of law or equity established by decisions of courts;

(b) statutes, regulations or by-laws of the Commonwealth, a State, a Territory or a Government Agency; and

(c) requirements and approvals (including conditions) of the Commonwealth, a State, a Territory or a Government Agency that have the force of law;

New Rights means entitlements to bonus shares, shares or other securities to be issued (whether or not issued by the Company or any other entity) to members of the Company by reason of holding the Option Shares, and includes rights arising in the course of a takeover offer, dividend re-investment plan, scheme of arrangement or other form of Reconstruction;

Option means the option to buy each of the Option Shares, granted by the Shareholder in favour of the Optionholder under this Agreement;

Option Fee means the amount of $1,000 per 14 day period until the Expiry Date;

Option Period means the period commencing on the date of this Agreement and ending on the earlier to occur of:

(a) 5.00 pm on the Expiry Date; and

(b) the date on which the Company first suffers or commences to suffer an Insolvency Event;

Option Shares means the shares in the capital of the Company held by the Shareholder as specified in the Schedule and adjusted in accordance with clause 8;

Reconstruction means any one or more of the following:

(a) any distribution of cash or securities by way of a return of capital;

(b) any bonus issue by the Company;

(c) any pro rata issue by the Company, by way of rights, of options, warrants or other rights to subscribe for shares in the share capital of the Company;

(d) any share split, consolidation or other similar action in respect of the share capital of the Company; and

(e) any other reconstruction, reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of the Company;

Specified Share Price means the amount of $0.20 for each Option Share;

Subscription Agreement means the agreement of that name between the Company and the Shareholder dated 21 October 2018; and

Uncalled Share as at any date, means any Option Share in relation to which the Optionholder has not exercised the Option as at that date.

1.2 Interpretation

In this Agreement, unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) the headings are used for convenience only and do not affect the interpretation of this Agreement;

(d) other grammatical forms of defined words or expressions have corresponding meanings;

(e) a reference to a document includes the document as modified from time to time and any document replacing it;

(f) a reference to a party is to a party to this Agreement and includes that party's successors, permitted assigns and permitted substitutes;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) "person" includes a natural person, partnership, body corporate, association, governmental or local authority, agency and any other body or entity whether incorporated or not;

(i) "month" means calendar month and "year" means 12 consecutive months;

(j) a reference to a statute, rule, regulation or ordinance (**statute**) includes that statute as amended, consolidated, re-enacted or replaced from time to time;

(k) "include", "for example" and any similar expressions are not used, and must not be interpreted, as words of limitation;

(l) money amounts are stated in Australian currency unless otherwise specified;

(m) a reference to time is to time in Victoria, Australia;

(n) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced, or has its powers or functions removed means the agency or body that performs most closely the functions of the agency or body referred to;

(o) this Agreement, and any provision of this Agreement, is not to be construed to the disadvantage of a party because that party was responsible for its preparation;

(p) any provision in this Agreement which is in favour of more than one person benefits all of those persons jointly and each of them severally; and

(q) any provision in this Agreement which binds more than one person binds all of those persons jointly and each of them severally.

2. Call option

2.1 Grant of Option

In consideration of the Shareholder receiving the Option Fee, the Shareholder grants and the Optionholder accepts the irrevocable option to buy the Option Shares, subject to the terms and conditions of this Agreement.

2.2 Option Fee

(a) The Optionholder must pay the Option Fee to the Shareholder on execution of this Agreement, and the Shareholder acknowledges receiving the Option Fee. The Option Fee shall be credited to the Exercise Price otherwise payable at the Exercise Completion.

(b) Unless the parties otherwise agree in writing, if the Exercise Completion is not completed within 30 Business Days of the Shareholder's receipt of the Exercise Notice, the Shareholder will promptly refund the Option Fee to the Optionholder.

2.3 Dividends

The Shareholder may receive and apply for its own use and benefit any dividend or other income distribution paid by the Company in relation to any Uncalled Share.

2.4 Voting rights

The Shareholder may exercise in its own discretion and for its own benefit any voting right in relation to any Uncalled Share.

3. Termination of Subscription Agreement

The Company and the Shareholder agree that, in consideration for the best endeavours of the Company to procure subscription for the Option Shares, effective from the execution date of this Agreement:

(a) the Subscription Agreement will terminate at the Exercise Completion Date; and

(b) no clauses of the Subscription Agreement survive termination.

4. New Rights

4.1 Pre-exercise offer

This clause 4 applies to any proposal for New Rights to be issued to or arise or subsist for the benefit of the Shareholder in relation to any Uncalled Share.

4.2 Shareholder to notify Optionholder

The Shareholder must provide to the Optionholder full details of any proposed New Rights promptly following receipt of any notice of that proposal.

4.3 Optionholder may direct Shareholder to accept offer

The Shareholder will accept any proposed New Rights at the Optionholder's direction, subject to prior payment by the Optionholder to the Shareholder in cleared funds of all money payable by the Shareholder to the Company (or other issuer of the New Rights, as the case may be) on acceptance of the offer. The Optionholder must make any direction and payment to the Shareholder in sufficient time for the Shareholder to accept the offer.

4.4 Accepting the offer

The Shareholder will execute any document and perform any action necessary to accept any proposed New Rights following the Optionholder's direction under clause 4.3.

4.5 Renounceable rights

The Shareholder will renounce any renounceable New Rights issued or available to the Shareholder, in favour of the Optionholder for no additional consideration.

4.6 Non-renounceable rights

The Shareholder agrees that it will transfer to the Optionholder any securities issued to the Shareholder under any proposal for the issue of non-renounceable New Rights for no additional consideration.

5. Lapsing of Option

The Option lapses and expires in relation to the Option Shares at the end of the Option Period.

6. Exercising the Option

6.1 Option period

The Optionholder may exercise the Option in relation to the Option Shares, at any time during the Option Period subject to this clause 6.

6.2 Partial exercise

The Optionholder may exercise the Option for any quantity of the Option Shares, subject to a minimum of 2,500,000 Option Shares, and in any number of tranches. An exercise of the Option with respect to some of the Option Shares does not affect the ability of the Optionholder to exercise the Options with respect to any Uncalled Shares and the Option remains valid and continues with respect to any Uncalled Shares in accordance with the terms of the this Agreement.

6.3 Exercise Notice

(a) The Optionholder may exercise the Option by delivering to the Shareholder a notice (Exercise Notice) specifying:

(i) that the Option is being exercised over the relevant number of Option Shares;

(ii) the proposed date for completion of the transfer of those Option Shares by the Shareholder to the Optionholder; and

(iii) any nominee(s) of the Optionholder as transferee of those Option Shares.

(b) Promptly after its receipt of the Exercise Notice, the Shareholder will use its best efforts to

(i) secure the approval of the Court under the CCAA; and

(ii) obtain the consent of its lenders under the DIP Loan, in each case to permit the Shareholder to transfer the Option Shares to the Optionholder or any nominee(s) at the Exercise Completion pursuant to this Agreement (together, the Closing Conditions).

(c) If after receipt of the Exercise Notice, the Shareholder is unable to achieve the matters set out in clause 6.3(b) after 3 months, the Shareholder agrees that:

(i) it will continue to use its best efforts to achieve the matters set out in clause 6.3(b);

(ii) the Shareholder provides, or continues to provide a shareholder proxy to vote on the Shareholder's behalf at general meeting, and undertake all shareholder decisions until it is able to achieve the matters set out in clause 6.3(b); and

(iii) the obligations under the Subscription Agreement are suspended until the satisfaction of the matters set out in clause 6.3(b).

6.4 Exercise Completion Date

Subject to the Shareholder’s satisfaction of the Closing Conditions, the date specified for the completion of the transfer of the Option Shares by the Shareholder to the Optionholder in the Exercise Notice under clause 6.3(b) **(Exercise Completion Date)** must not be later than the date being 10 Business Days after delivery of the Exercise Notice.

6.5 Exercise Notice is irrevocable

An Exercise Notice is effective when the Shareholder receives it and, when given, is irrevocable; provided that

(a) if the Closing Conditions are not satisfied by the Shareholder within 25 Business Days of the Shareholder’s receipt of the Exercise Notice, the Optionholder may elect to terminate this Agreement upon written notice to the Shareholder; and

(b) unless the parties otherwise agree in writing, if the Required Approvals are not obtained by the Shareholder within 30 Business Days of the Shareholder's receipt of the Exercise Notice, the Exercise Notice will be deemed to have been revoked and this Agreement will terminate without any further act or formality.

7. Exercise Completion

7.1 Obligations of the Shareholder

Subject to satisfaction of the Closing Conditions, the Shareholder must on the Exercise Completion Date:

(a) deliver to the Optionholder transfers in registrable form of the Option Shares in favour of the Optionholder or its nominee, properly executed by the Shareholder; and

(b) deliver to the Optionholder any share certificates for the Option Shares, or, if any such certificates have been lost, a statement and undertaking given by the Shareholder in accordance with section 1070D(5) of the Corporations Act; and

(c) do anything (within its control), and execute all other documents, required to register the Optionholder or the relevant nominee as the legal and beneficial owner of the Option Shares.

7.2 Obligations of the Optionholder

Subject to the Shareholder complying with clause 7.1, the Optionholder must:

(a) if requested by the Shareholder, procure a copy of the resolutions of the board of directors of the Company resolving that the transfer of the Option Shares (subject only to the payment of stamp duties or other Tax of a similar nature on the transfers) be approved;

(b) with respect to the relevant Exercise Price:

(i) if the transfer is in favour of the Optionholder, pay the relevant Exercise Price to the Shareholder on the Exercise Completion Date; or

(ii) if the transfer is in favour of a nominee of the Optionholder, either procure payment of the relevant Exercise Price to the Shareholder on the Exercise Completion Date, or pay relevant Exercise Price to the Shareholder by no later than 2 Business Days from the date on which the Optionholder receives the Exercise Price from the nominee. If Optionholder fails to procure the payment of the applicable Exercise Price to the Shareholder within 3 Business Days of the relevant the Exercise Completion Date, unless otherwise agreed in writing between the parties, the Optionholder must immediately procure the transfer of relevant Option Shares (or such number of Option Shares equal to the portion of the Exercise Price that was not paid, to the Shareholder; and

(c) do anything (within its control), and execute all other documents, required to register the Optionholder or the relevant nominee as the legal and beneficial owner of the Option Shares.

7.3 Share rights

The Optionholder (or its nominee if relevant) is entitled beneficially to all:

(a) rights to any dividend or other income distribution;

(b) voting rights; and

(c) New Rights,

attaching to or arising in relation to the Option Shares as from Exercise Completion.

8. Capital Reconstruction

8.1 Application of clause

This clause 8 applies to any Uncalled Shares existing at the effective date of any Reconstruction of the issued capital of the Company and which affects the Uncalled Shares until the earlier of the Exercise Completion and the termination of this Agreement.

8.2 Adjustment

The number and value of the Uncalled Shares must, as may be reasonably required, be increased, reduced or otherwise adjusted so as to preserve, unchanged so far as possible, as the respective positions, rights (including voting rights) and entitlements of the Shareholder and the Optionholder.

8.3 Method of adjustment

Appropriate adjustment to reflect any alteration arising from any such Reconstruction may be made, as may be applicable, by way of increase or reduction in:

(a) the Specified Share Price to reflect any differential in value; and

(b) the number of Uncalled Shares comprised in the Exercise Notice of the Option in compliance with clause 6 to reflect any variation in the number of Uncalled Shares.

8.4 Best endeavours

The parties must use their best endeavours to ensure that the adjustment referred to in clause 8.2 by the method described in clause 8.3 occurs as soon as possible after any Reconstruction of the issued capital of the Company which triggers the application of this clause 8.

9. Warranties

9.1 General warranties

Each corporate party warrants to the other party that as at the date of this Agreement and the Exercise Completion Date:

(a) that party is a corporation duly incorporated and validly existing under the Law of the country or jurisdiction of its incorporation or registration;

(b) that party has full corporate power to create and perform its liability under this Agreement;

(c) the execution or performance of this Agreement by that party does not contravene any provision of:

   (i) its constitution;

   (ii) any agreement made by that party;

   (iii) any Law; or

   (iv) any consent by a Government Agency or contractual consent relating to that party or its assets;

(d) except as disclosed by the Shareholder in the recitals to this Agreement, is not subject to, or has not suffered, an Insolvency Event; and

(e) that party has procured all corporate consents, including any consent of directors or shareholders of that party, for the execution and (subject to the Shareholder's satisfaction of the Closing Conditions) performance by that party of this Agreement, which has been executed in compliance with its constitution and any applicable Law.

9.2 Shareholder warranties

The Shareholder warrants to the Optionholder that as at the date of this Agreement and on the Exercise Completion Date:

(a) except for satisfaction of the Closing Conditions, the Shareholder has procured any necessary consent from a Government Agency or contractual consent for this Agreement, the grant of the Option and the transfer of the Option Shares to the Optionholder under this Agreement;

(b) all information relating to the Option Shares specified in the Schedule is and will be accurate;

(c) the Optionholder or its nominee will obtain the entire legal and beneficial interest in the Option Shares following Exercise Completion free and clear of any Encumbrance created in favour of any person; and

(d) the Shareholder has no notice of any fact with respect to the Shareholder, which, if disclosed to the Optionholder, might reasonably be expected to influence the Optionholder's decision to enter into or perform this Agreement.

9.3 Reliance

Each party agrees that the other party has entered this Agreement relying on each warranty by that party contained in this clause 9 as a material term of this Agreement.

9.4 Indemnity

Each party agrees to indemnify the other party against any loss which that other party may incur or suffer directly or indirectly resulting from any breach of warranty or other default by that party of any obligation under this Agreement.

10. GST

10.1 Interpretation

In this clause 10:

(a) terms or expressions which have a defined meaning in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* (**GST Act**) have the same meaning as in the GST Act; and

(b) any reference to a party includes the representative member of a GST group of which that party is a member.

10.2 Consideration excludes GST

Unless otherwise expressly stated, all consideration to be paid or provided under this Agreement is expressed exclusive of GST.

10.3 Payment of GST

(a) If GST is payable on any supply made under this Agreement, the recipient must pay to the supplier an additional amount (**GST Amount**) equal to the GST payable on that supply at the same time as the consideration for the supply is to be paid or provided.

(b) Clause 10.3(a) does not apply to the extent that:

(i) the consideration for the supply is stated to include GST; or

(ii) GST on the supply is reverse charged and payable by the recipient.

10.4 Tax invoice

The recipient need not pay the GST Amount until it has received a tax invoice or adjustment note, as the case may be.

10.5 Adjustment events

If an adjustment event arises in relation to a supply made under this Agreement, the GST Amount must be adjusted to reflect that adjustment event. A corresponding payment must be made by the supplier to the recipient or by the recipient to the supplier, as the case may be.

10.6 Calculation of amounts

If this Agreement requires an amount to be calculated by reference to another amount (**Reference Amount**) that will be:

(a) received for a taxable supply; or

(b) paid for a creditable acquisition,

then the Reference Amount must be reduced so as to exclude any part of the Reference Amount paid or received on account of GST, as the case may be.

10.7 Reimbursement and indemnity payments

If this Agreement requires a party to reimburse or indemnify another party for a cost or expense, the amount of the cost or expense must be reduced by an amount equal to any input tax credit to which the party being reimbursed or indemnified is entitled for that cost or expense.

10.8 Survival

This clause 10 will survive and continue to apply following the termination or completion of this Agreement.

11. Notices

11.1 Giving notices

Any notice or other communication (**Notice**) to or by a party under this Agreement:

(a) must be given by personal service, by prepaid priority or express post, or, subject to this clause 11, by email;

(b) must be in writing (and for the purposes of this clause, a Notice in the body of or attached to an email is in writing), legible and in English addressed (depending on the manner in which it is given) as specified below:

(i) If to the Shareholder:

Address: CannTrust Holdings Inc., 3280 Langstaff Road, Vaughan ONTARIO L4K 5B6 CANADA

Attention: David Blair, Interim CFO

Email: dblair@canntrust.ca

(ii) If to the Optionholder:

Address: c/- Mertons L7, 330 Collins Street, Melbourne VIC 3000

Attention: Mark Licciardo, Mertons

Email: markl@mertons.com.au

or as otherwise specified in any updated details last notified by the party to the sender by not less than 5 Business Days' Notice given in accordance with this clause (**Specified Contact Details**); and

(c) must be signed by the sender (if an individual) or by that party's authorised officer, agent or representative. A party receiving a Notice is not obliged to enquire as to the authority of the person signing the Notice. A Notice attached to an email in portable document format (.pdf) or another appropriate and commonly used format and signed by the sender in accordance with this clause 11.1(c) complies with this clause and in that case, the covering email need not be so signed.

11.2 Receipt of Notices

(a) A Notice given under clause 11.1 is taken to be given by the sender and received by the recipient (whether or not the recipient actually receives it):

(i) if delivered in person, when it is left at the recipient's address set out in the Specified Contact Details;

(ii) if posted to the recipient's address set out in the Specified Contact Details, at 9.00 am on the third (seventh, if sent to or from an address in another country) day after the date of posting; or

(iii) if sent by email, 2 hours after the time the email is sent to the recipient's email address set out in the Specified Contact Details, as recorded on the sender's email system, unless the sender receives, within that time period, an automatic notification (other than an out of office message) indicating that the email has not been delivered.

(b) If any delivery or receipt would be deemed by clause 11.2(a) to be on a day that is not a Business Day or after 4.00 pm (recipient's time), it is deemed to have been received at 9.00 am (recipient's time) on the next Business Day.

(c) If the party to which a Notice is to be given consists of more than 1 person, the Notice will be treated as given to and received by that party if given to any of those persons.

12. General

12.1 Entire understanding

(a) This Agreement contains the entire understanding between the parties concerning the subject matter of the Agreement and supersedes, terminates and replaces all prior agreements and communications between the parties.

(b) Each party acknowledges that, except as expressly stated in this Agreement, that party has not relied on any representation, warranty or undertaking of any kind made by or on behalf of another party in relation to the subject matter of this Agreement.

12.2 Benefit to nominee

If the Optionholder nominates a person as contemplated under this Agreement, any benefit, right, protection or indemnity conferred on the Optionholder to the extent it applies to the relevant transaction contemplated by the nomination, is also held by the Optionholder on trust for the benefit of the relevant nominee.

12.3 Further assurances

A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Agreement.

12.4 No waiver

(a) A failure, delay, relaxation or indulgence by a party in exercising any power or right conferred on the party by this Agreement does not operate as a waiver of the power or right.

(b) A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this Agreement.

(c) A waiver of a breach does not operate as a waiver of any other breach.

12.5 Severability

Any provision of this Agreement which is invalid in any jurisdiction must, in relation to that jurisdiction:

(a) be read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) be severed from this Agreement in any other case,

without invalidating or affecting the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

12.6 No assignment

A party cannot assign or otherwise transfer the benefit of this Agreement without the prior written consent of the other party except to the extent contemplated by this Agreement.

12.7 Consents and approvals

Unless this Agreement provides otherwise, where anything depends on the consent or approval of a party then that consent or approval may be given conditionally or unconditionally or withheld, in the absolute discretion of that party.

12.8 No variation

This Agreement cannot be amended or varied except in writing signed by the parties.

12.9 Costs

Each party must pay its own legal costs of and incidental to the preparation and completion of this Agreement.

12.10 Duty

Any duty (including related interest or penalties) payable in respect of this Agreement or any instrument created in connection with it must be paid by the Optionholder.

12.11 Governing law and jurisdiction

(a) This Agreement is governed by and must be construed in accordance with the laws in force in Victoria.

(b) The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this Agreement, its performance or subject matter.

12.12 Counterparts

If this Agreement consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document. A party may sign a counterpart by executing a signature page and electronically transmitting a copy of the signed page to each other party or their representative.

12.13 Conflicting provisions

If there is any conflict between the main body of this Agreement and any schedules or annexures comprising it, then the provisions of the main body of this Agreement prevail.

12.14 No merger

A term or condition of, or act done in connection with, this Agreement does not operate as a merger of any of the rights or remedies of the parties under this Agreement and those rights and remedies continue unchanged.

12.15 Operation of indemnities

Unless this Agreement expressly provides otherwise:

(a) each indemnity in this Agreement survives the expiry or termination of this Agreement; and

(b) a party may recover a payment under an indemnity in this Agreement before it makes the payment in respect of which the indemnity is given.

12.16 No right of set-off

Unless this Agreement expressly provides otherwise, a party has no right of set-off against a payment due to another party.

12.17 Relationship of parties

Unless this Agreement expressly provides otherwise, nothing in this Agreement may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

Schedule - Details of Option Shares

(clause 1.1)

Company: Cannatrek Limited ACN 056 175 369

Shares:

1. Number/class:

   32,778,922 fully paid ordinary shares

2. Share unpaid amount:

   Not applicable.

Executed as an agreement

Executed by **CannTrust Inc.,** by an authorised representative:

.... Signature of witness	.... Signature of authorised representative
.... Name (please print)	.... Name (please print)

Signed by **David Oshlack** in the presence of:

	.... Signature
.... Signature of witness	
.... Name of witness (please print)	

Executed by **Cannatrek Ltd** ACN 056 175 369 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

.... Signature of director	.... Signature of director or company secretary* *delete whichever does not apply
.... Name (please print)	.... Name (please print)

**THIS IS EXHIBIT "G" REFERRED TO
IN THE AFFIDAVIT OF
GREG GUYATT
SWORN BEFORE ME VIRTUALLY,
ON THE 25th DAY OF JANUARY, 2022**

N Rambaran

A COMMISSIONER, ETC.

CannTrust

January 19, 2022

VIA E-MAIL

CONFIDENTIAL

Cortland Credit Lending Corporation, as Agent
200 Bay Street, Suite 3230, PO Box 68
Royal Bank Plaza, South Tower
Toronto, ON M5J 2J2 Canada

Attention: Sean Rogister, Chief Executive Officer

Dear Sir/Madam:

Re: Request for Consents relating to Grey Wolf Disposition and Cannatrek Disposition

Reference is hereby made to the summary of terms and conditions made as of April 13, 2021 (as supplemented by (i) a consent request letter dated June 8, 2021, (ii) a consent request letter dated June 24, 2021, (iii) a consent request letter dated July 20, 2021, (iv) a consent request letter dated September 17, 2021 and (v) a consent request letter dated December 24, 2021, collectively, the "**DIP Term Sheet**"), among CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. (collectively, the "**Borrowers**" and each, a "**Borrower**"), Cortland Credit Lending Corporation, as administrative agent (in such capacity, the "**Agent**") and the Persons from time to time party thereto as lenders (collectively, the "**Lenders**").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the DIP Term Sheet.

Grey Wolf Disposition

As discussed, CannTrust Inc. intends to enter into a purchase and sale agreement to be entered into (the "**Grey Wolf Agreement**") between CannTrust Inc., as seller and Bloom Burton Investment Group Inc., as buyer (the "**Buyer**"), pursuant to which the Buyer will purchase from CannTrust Inc. all of CannTrust Inc.'s interest in Grey Wolf Animal Health Inc. (the "**Grey Wolf Disposition**") at an aggregate purchase price of CAD$1,100,000 (the "**Grey Wolf Disposition Proceeds**").

The Borrowers are writing to the Agent to provide formal notice of, and to request consents under the DIP Term Sheet in connection with, the Grey Wolf Disposition.

The Borrowers request that the Agent, for and on behalf of itself and the Lenders, consent to (i) the Borrowers completion of the Grey Wolf Disposition; (ii) the Borrowers retaining the Grey Wolf Disposition Proceeds for working capital purposes and paying operating expenses of the Borrowers and the Guarantors; and (iii) the Borrowers not using the Grey Wolf Disposition Proceeds to make a pay down of the principal balance outstanding under the Credit Facility.

Cannatrek Disposition

As discussed, CannTrust Inc. has entered into an call option agreement (shares) dated as of January 18, 2022 (the "**Cannatrek Agreement**") between CannTrust Inc., David Oshlack (the "**Optionholder**") and Cannatrek Limited ("**Cannatrek**"), pursuant to which the Optionholder or his nominee will have an option to acquire from CannTrust Inc. all or a portion of CannTrust Inc.'s interest in Cannatrek (being up to 32,778,922 fully paid ordinary shares in the capital of Cannatrek) (the "**Cannatrek Disposition**") at a price of AUS $0.20 per share.

Assuming that the Optionholder exercises his option to acquire all 32,778,922 of the Cannatrek shares, CannTrust Inc. anticipates receiving cash proceeds from the Cannatrek Disposition (the "**Cannatrek Disposition Proceeds**") in an amount equal to approximately AUS$6,555,784.40 (being approximately Cdn.$5,922,948) after payment of fees and transaction expenses.

The Borrowers are writing to the Agent to provide formal notice of, and to request consents under the DIP Term Sheet in connection with, the Cannatrek Disposition.

The Borrowers request that the Agent, for and on behalf of itself and the Lenders, consent to (i) the Borrowers completion of the Cannatrek Disposition; (ii) the Borrowers retaining the Cannatrek Disposition Proceeds for working capital purposes and paying operating expenses of the Borrowers and the Guarantors; and (iii) the Borrowers not using the Cannatrek Disposition Proceeds to make a pay down of the principal balance outstanding under the Credit Facility.

Miscellaneous

Except as specifically modified in this letter, all of the terms and conditions of the DIP Term Sheet shall remain in full force and effect. In the event of any inconsistency between the terms of this letter and the terms of the DIP Term Sheet, then the terms of this letter shall control. This letter shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter (whether by delivery of an original of the same or by facsimile transmission) shall be as effective as delivery of a manually executed counterpart of this letter.

Timing

Please confirm that the Agent has consented to the foregoing by no later than January 22, 2022.

Thank you for your attention to this matter and please do not hesitate to contact Greg Guyatt, Chief Executive Officer of the Borrowers, or David Blair, Interim Chief Financial Officer of the Borrowers, if you have any questions in respect of the foregoing or wish to discuss.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Yours truly,

CANNTRUST HOLDINGS INC., as a Borrower and on behalf of all the other Borrowers

By: ______________________________
Name: Greg Guyatt
Title: Chief Executive Officer

CANNTRUST EQUITY INC., as a Guarantor

By: ______________________________
Name: Greg Guyatt
Title: President

ELMCLIFFE INVESTMENTS [NO. 2] INC., as a Guarantor

By: ______________________________
Name: Greg Guyatt
Title: President

The foregoing consents requested by the Borrowers are hereby consented to and agreed to by the Agent on its own behalf and on behalf of the Lenders:

Acknowledged and agreed as of January 24, 2022:

CORTLAND CREDIT LENDING CORPORATION,
as Agent and on behalf of the Lenders

By: Sean R
Name: Sean Rogister
Title: Chief Executive Officer

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

AFFIDAVIT OF GREG GUYATT
(Sworn January 25, 2022)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	**)**	MONDAY, THE 31ST
	)	
MADAM JUSTICE CONWAY	**)**	DAY OF JANUARY, 2022

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
(Stay Extension)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order extending the stay of proceedings granted pursuant to the initial order dated March 31, 2020 in these proceedings (as amended from time to time, the "**Initial Order**") to and including January 31, 2022, was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING (i) the affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and (ii) the Seventeenth Report of the Monitor dated January ●, 2022 (the "**Seventeenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record of the Applicants, including the Notice of Motion, in support of this motion and the Seventeenth 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 all capitalized terms used and not defined in this Order shall have the meanings given to them in the Guyatt Affidavit.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) be and is hereby extended to and including February 28, 2022 or such later date as this Court may order.

GENERAL

4. **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.

5. **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.

6. **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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Stay Extension)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 31ST
	)	
MADAM JUSTICE CONWAY	)	DAY OF JANUARY, 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

APPROVAL AND VESTING ORDER
(Sale of Grey Wolf Interest)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the transaction (the "**Grey Wolf Transaction**") contemplated by the agreement of purchase and sale dated as of **January 24, 2022** (the "**Grey Wolf APS**") between CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit "D" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and vesting in the Grey Wolf Buyer Opco's right, title and interest in and to the Securities as described and defined in the Grey Wolf APS (the "**Purchased Assets**") of Grey Wolf Animal Health Inc. ("**Grey Wolf**"), on the terms and conditions set out in the Grey Wolf APS, was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Guyatt Affidavit, the Seventeenth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January ●, 2022 (the "**Seventeenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly 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 Seventeenth Report, is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Grey Wolf APS.

APPROVAL OF AGREEMENT AND TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Grey Wolf Transaction is hereby approved, and the execution of the Grey Wolf APS by Opco is hereby authorized and approved. With such minor amendments as Opco, in consultation with the Monitor, may deem necessary. Opco is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Grey Wolf Transaction and for the conveyance of the Purchased Assets to the Grey Wolf Buyer, or as it may direct.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Grey Wolf Buyer substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of Opco's right, title and interest in and to the Purchased Assets shall vest absolutely in the Grey Wolf Buyer, or as it may direct, free and clear of and from any and all any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any and all encumbrances and charge created by any order in these proceedings, including the Amended and Restated Initial Order dated April 9, 2020 (as amended and restated from time to

time) and the DIP Approval Order dated April 30, 2021); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets).

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Opco and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of Opco;

the vesting of the Purchased Assets in the Grey Wolf Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Opco and shall not be void or voidable by creditors of Opco, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **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.

9. **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.

10. **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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

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

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 31, 2020, as amended, Ernst & Young Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated January 31, 2022 (the "**Order**"), the Court approved the agreement of purchase and sale dated as of January 24, 2022 (the "**Agreement**") entered into between CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit "D" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and provided for the vesting in the Grey Wolf Buyer Opco's right, title and interest in and to the Purchased Assets (as defined in the Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Grey Wolf Buyer a certificate confirming (i) the payment by the Grey Wolf Buyer of the Purchase Price (as defined in the Agreement) for the Purchased Assets; (ii) that the conditions as set out in sections 2.5 and the deliveries set out in section 6.1 and 6.2 of the Agreement (the "**Conditions and Deliveries**") have been satisfied, delivered or waived; and (iii) the transaction contemplated by the Agreement (the "**Transaction**") has been completed to the satisfaction of the Monitor.

C. The Monitor has been advised by Opco or the Grey Wolf Buyer, as applicable, that: (i) the Grey Wolf Buyer has paid, and Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Agreement; (ii) the Conditions and Deliveries have been satisfied, delivered or waived by Opco and the Grey Wolf Buyer, as applicable; and (iii) aside from the delivery of this certificate, the Transaction has been completed to the satisfaction of Opco or the Grey Wolf Buyer.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE MONITOR CERTIFIES the following:

1. The Grey Wolf Buyer has paid, and Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Agreement;

2. The Conditions and Deliveries have been satisfied, delivered or waived by Opco and the Grey Wolf Buyer, as applicable; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ___________ [TIME] on ___________ [DATE].

ERNST & YOUNG INC., solely in its capacity as court-appointed monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: ____________________________________

Name:

Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Approval and Vesting Order)
(Sale of Grey Wolf Interest)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43544155

TAB A

~~Revised: January 21, 2014~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE ~~#~~31ST
)	DAY OF
MADAM ~~———~~JUSTICE ~~———)~~ ~~)~~	~~MONTH~~JANUARY,
~~)~~ CONWAY)	~~20YR~~2021
~~WEEKDAY~~	

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

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

~~Defendant~~

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

APPROVAL AND VESTING ORDER (Sale of Grey Wolf Interest)

THIS MOTION, made by ~~[RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"~~the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the ~~sale~~ transaction (the ~~"~~"**Grey Wolf Transaction**~~"~~") contemplated by ~~an~~the agreement of purchase and sale ~~(the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and~~dated as of **January 24, 2022** (the "**Grey Wolf APS**") between CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit "D" to the ~~Report~~Affidavit of ~~the Receiver dated [DATE]~~Greg Guyatt sworn January 25, 2022 (the ~~"Report"~~"**Guyatt Affidavit**"), and vesting in the ~~Purchaser the Debtor~~Grey Wolf Buyer Opco's right, title and interest in and to the ~~assets~~Securities as described and defined in the ~~Sale Agreement~~Grey Wolf APS (the ~~"~~"**Purchased Assets**~~"~~") of Grey Wolf Animal Health Inc. ("**Grey Wolf**"), on the terms and conditions set out in the Grey Wolf APS, was heard this day ~~at 330 University Avenue,~~by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the ~~Report~~Guyatt Affidavit, the Seventeenth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January ●, 2022 (the "**Seventeenth Report**"), and on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING]~~Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME] sworn [DATE]~~service, filed~~[1]~~:

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Grey Wolf APS.

APPROVAL OF AGREEMENT AND TRANSACTION

~~[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

3. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Grey Wolf Transaction is hereby approved,[2] and the execution of the ~~Sale Agreement~~Grey Wolf APS by ~~the Receiver~~[3]Opco is hereby authorized and approved~~, with~~. With such minor amendments as Opco, in consultation with the ~~Receiver~~Monitor, may deem necessary. ~~The Receiver~~Opco is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Grey Wolf Transaction and for the conveyance of the Purchased Assets to the ~~Purchaser~~Grey Wolf Buyer, or as it may direct.

4. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ~~Receiver~~Monitor's certificate to the ~~Purchaser~~Grey Wolf Buyer substantially in the form attached as **Schedule "A"** hereto (the ~~"Receiver"~~**"Monitor's Certificate"**), all of ~~the Debtor'~~Opco's right, title and interest in and to the Purchased Assets ~~described in the Sale Agreement [and listed on Schedule B hereto]~~[4] shall vest absolutely in the ~~Purchaser~~Grey Wolf Buyer, or as it may direct, free and clear of and from any and all any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the **"Claims"**[5]), including, without limiting the generality of the foregoing: (i) any and all encumbrances ~~or charges~~and charge created by ~~the Order of the Honourable Justice [NAME]~~any order in these proceedings,

---

~~[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

~~[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

~~[4] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

~~[5] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

including the Amended and Restated Initial Order dated April 9, 2020 (as amended and restated from time to time) and the DIP Approval Order dated ~~[DATE]~~April 30, 2021); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system~~; and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the ~~"~~"**Encumbrances**~~", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D)~~" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets~~.~~

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*][6], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto~~).

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds[7] from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver'~~Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale[8], as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

---

[6] ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

[7] ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

[8] ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

6. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the ~~Receiver~~Monitor to file with the Court a copy of ~~the Receiver'~~Monitor's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of ~~the Debtor~~Opco and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ~~the Debtor~~Opco;

the vesting of the Purchased Assets in the ~~Purchaser~~Grey Wolf Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ~~the Debtor~~Opco and shall not be void or voidable by creditors of ~~the Debtor~~Opco, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **THIS COURT ORDERS** ~~AND DECLARES~~ that ~~the Transaction~~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.

9. **THIS COURT ORDERS** that this Order is ~~exempt~~effective from the ~~application of the *Bulk Sales Act* (Ontario)~~date that it is made and is enforceable without any need for entry and filing.

10. ~~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 ~~Receiver~~Applicants and ~~its~~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 ~~Receiver~~Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Applicants and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order.

~~**Schedule A – Form of Receiver's Certificate**~~

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

~~– and –~~

~~**DEFENDANT**~~

~~Defendant~~

~~**RECEIVER'S CERTIFICATE**~~

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

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the ~~"~~"**Court**~~"~~") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~March 31, 2020, as amended, Ernst & Young Inc. was appointed as ~~the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor")~~monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated ~~[DATE]~~January 31, 2022 (the "**Order**"), the Court approved the agreement of purchase and sale ~~made~~dated as of ~~[DATE OF AGREEMENT]~~January 24, 2022 (the ~~"Sale~~ "**Agreement**~~"~~") entered into between ~~the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser")~~CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit "D" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and provided for the vesting in the ~~Purchaser of the Debtor~~Grey Wolf Buyer Opco's right, title and interest in and to the Purchased Assets (as defined in the Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Monitor to the ~~Purchaser of~~Grey Wolf Buyer a certificate confirming (i) the payment by the ~~Purchaser~~Grey Wolf Buyer of the Purchase Price (as defined in the Agreement) for the Purchased Assets; (ii) that the conditions ~~to Closing~~ as set out in sections 2.5 and the deliveries set out in section ~~●~~6.1 and 6.2 of the ~~Sale~~ Agreement (the "**Conditions and Deliveries**") have been satisfied, delivered or waived ~~by the Receiver and the Purchaser~~; and (iii) the transaction contemplated by the Agreement (the "**Transaction**") has been completed to the satisfaction of the ~~Receiver~~Monitor.

C. The Monitor has been advised by Opco or the Grey Wolf Buyer, as applicable, that: (i) the Grey Wolf Buyer has paid, and Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Agreement; (ii) the Conditions and Deliveries have been satisfied, delivered or waived by Opco and the Grey Wolf Buyer, as applicable; and (iii) aside from the delivery of this certificate, the Transaction has been completed to the satisfaction of Opco or the Grey Wolf Buyer.

D. ~~C.~~ Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale~~ Agreement.

THE ~~RECEIVER~~**MONITOR CERTIFIES** the following:

1. The ~~Purchaser~~Grey Wolf Buyer has paid, and ~~the Receiver~~Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the ~~Sale~~ Agreement;

2. The ~~conditions to Closing as set out in section ● of the Sale Agreement~~Conditions and Deliveries have been satisfied, delivered or waived by ~~the Receiver~~Opco and the ~~Purchaser~~Grey Wolf Buyer, as applicable; and

3. The Transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

4. This Certificate was delivered by the ~~Receiver~~Monitor at__________________[TIME] on____ [DATE].

~~**[NAME OF RECEIVER],**~~

ERNST & YOUNG INC., solely in its capacity as ~~**Receiver**~~court-appointed monitor of the ~~**undertaking, property and assets of [DEBTOR]**~~Applicants, and not in its personal capacity or in any other capacity

Per: ________________________________

Name:

Title:

~~Revised: January 21, 2014~~

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.

~~**Schedule B – Purchased Assets**~~

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

~~**Schedule C – Claims to be deleted and expunged from title to Real Property**~~

~~Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property~~

~~(unaffected by the Vesting Order)~~

	ONTARIO **SUPERIOR COURT OF JUSTICE** **COMMERCIAL LIST**
	ORDER (Approval and Vesting Order) (Sale of Grey Wolf Interest)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342 Email:
hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43544155

Document comparison by Workshare Compare on Tuesday, January 25, 2022 9:47:23 PM

Input:	
Document 1 ID	file://C:\Users\nrambaran\Downloads\approval-and-vesting-order-EN (10).doc
Description	approval-and-vesting-order-EN (10)
Document 2 ID	file://C:\Users\nrambaran\Desktop\CT MOTION - Jan 25 2022\CannTrust - Approval and Vesting Order (Grey Wolf).pdf
Description	CannTrust - Approval and Vesting Order (Grey Wolf)
Rendering set	MTStandard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	167
Deletions	157
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	324

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 31ST
	)	
MADAM JUSTICE CONWAY	)	DAY OF JANUARY, 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

APPROVAL AND VESTING ORDER
(Sale of Cannatrek Interest)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the transaction (the "**Cannatrek Transaction**") contemplated by the call option agreement dated as of January 18, 2022 (the "**Call Option Agreement**") between CannTrust Inc. ("**Opco**"), David Oshlack (the "**Optionholder**") and Cannatrek Limited ("**Cannatrek**"), appended as Exhibit **["E"]** to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and vesting Opco's right, title and interest in and to the Option Shares (as defined in the Call Option Agreement) (the "**Cannatrek Option Shares**") as set out herein, was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Guyatt Affidavit, the Seventeenth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January ●, 2022 (the "**Seventeenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly 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 Seventeenth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Call Option Agreement.

APPROVAL OF AGREEMENT AND TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Cannatrek Transaction is hereby approved, and the execution of the Call Option Agreement by Opco is hereby authorized and approved with such minor amendments as Opco, in consultation with the Monitor, may deem necessary. Opco is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Cannatrek Transaction and for the conveyance of the CannaTrek Option Shares in accordance with the Call Option Agreement and this Order.

4. **THIS COURT ORDERS AND DECLARES** that a Monitor's certificate substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**") shall, in each instance, specify in its preamble the Cannatrek Option Shares to be transferred (the "**Exercised Cannatrek Option Shares**") and the name of the transferee, regardless of whether that is the Optionholder or a nominee (as specified in the Monitor's Certificate, the "**Buyer**"), in respect of each sale transaction when an option is exercised pursuant to the Call Option Agreement, and upon the delivery of each Monitor's Certificate, all of Opco's right, title and interest in and to the Exercised Cannatrek Option Shares specified in such Monitor's Certificate shall vest absolutely in the Buyer specified in such Monitor's Certificate, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"),

including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by any order in these proceedings, including in the Amended and Restated Initial Order dated April 9, 2020 (as amended and restated from time to time) and the DIP Approval Order dated April 30, 2021; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Exercised Cannatrek Option Shares specified in a Monitor's Certificate are hereby expunged and discharged as against those Exercised Cannatrek Option Shares, effective upon delivery of the Monitor's Certificate in respect of such Exercised Cannatrek Option Shares.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of all Exercised Cannatrek Option Shares shall stand in the place and stead of such Exercised Cannatrek Option Shares, and that from and after the delivery of each Monitor's Certificate, all Claims and Encumbrances that are expunged and discharged as against the Exercised Cannatrek Option Shares specified in such Monitor's Certificate shall attach to the net proceeds from the sale of such Exercised Cannatrek Option Shares with the same priority as they had with respect to such Exercised Cannatrek Option Shares immediately prior to the sale, as if such Exercised Cannatrek Option Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor, in respect of each Monitor's Certificate, to file with the Court a copy of such Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Opco and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of Opco;

the vesting of the Exercised Cannatrek Option Shares in the Buyer, in each case as specified in the Monitor's Certificate, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Opco and shall not be void or voidable by creditors of Opco, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **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.

9. **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.

10. **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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

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

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 31, 2020, as amended, Ernst & Young Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated January 31, 2022, the Court approved the transaction contemplated by the Call Option Agreement dated January 18, 2022 (the "**Agreement**") between CannTrust Inc. ("**Opco**"), David Oshlack (the "**Optionholder**") and Cannatrek Limited ("**Cannatrek**"), appended as Exhibit "E" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), for the vesting in the Buyer (as defined below), of Opco's right, title and interest in and to the Exercised Cannatrek Option Shares (defined below), which vesting is to be effective with respect to such Exercised Cannatrek Option Shares upon the delivery by the Monitor of a certificate that specifies the Exercised Cannatrek Option Shares and name of the Buyer, and confirms: (i) that Opco has received payment of the relevant Exercise Price (as defined in the Call Option Agreement, the "**Exercise Price**") for the Exercised Cannatrek Option Shares payable on the relevant Exercise Completion Date pursuant to the Call Option Agreement; (ii) that the Closing Conditions (as defined in the Call Option Agreement, the "**Closing Conditions**"), Obligations of the Shareholder set out in section 7.1 of the Call Option Agreement and Obligations of the Optionholder set out in section 7.2 of the Call Option Agreement have been satisfied or waived by Opco and the Optionholder; and (iii) the transaction in respect of the Exercised Cannatrek Option Shares set out below (the "**Transaction**") has been completed to the satisfaction of the Monitor.

C. The Monitor has been advised by Opco or the Optionholder, as applicable, that:

i. **[NUMBER OF SHARES]** (the "**Exercised Cannatrek Option Shares**") will be transferred to **[NAME]** (the "**Buyer**");

ii. Opco has received payment of the relevant Exercise Price for the Exercised Cannatrek Option Shares payable on the relevant Exercise Completion Date pursuant to the Call Option Agreement;

iii. that the Closing Conditions, Obligations of the Shareholder set out in section 7.1 of the Call Option Agreement and Obligations of the Optionholder set out in section 7.2 of the Call Option Agreement have been satisfied or waived by Opco and the Optionholder, as applicable; and

iv. aside from the delivery of this certificate, the Transaction has been completed to the satisfaction of Opco or the Optionholder.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE MONITOR CERTIFIES the following:

1. Opco has received payment of the relevant Exercise Price for the Exercised Cannatrek Option Shares payable on the relevant Exercise Completion Date pursuant to the Call Option Agreement

2. The Closing Conditions, Obligations of the Shareholder set out in section 7.1 of the Call Option Agreement and Obligations of the Optionholder set out in section 7.2 of the Call Option Agreement have been satisfied or waived by Opco and the Optionholder, as applicable.

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at _______ [TIME] on ___________ [DATE].

ERNST & YOUNG INC., solely in its capacity as court-appointed monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: ________________________________

Name:

Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Approval and Vesting Order)
(Sale of Cannatrek Interest)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43544565

TAB A

~~Revised: January 21, 2014~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE ~~#~~31ST
)	DAY OF
MADAM ~~———~~JUSTICE ~~———~~ ~~)~~ ~~)~~	~~MONTH~~JANUARY,
~~)~~ CONWAY)	~~20YR~~2021
~~WEEKDAY~~	

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

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

~~Defendant~~

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

APPROVAL AND VESTING ORDER
(Sale of Cannatrek Interest)

THIS MOTION, made by ~~[RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"~~the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the ~~sale~~ transaction (the ~~"~~"**Cannatrek Transaction**~~"~~") contemplated by ~~an~~the call option agreement dated as of ~~purchase and sale~~January

18, 2022 (the ~~"Sale~~“**Call Option Agreement**~~"~~”) between ~~the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE]~~CannTrust Inc. (“**Opco**”), David Oshlack (the “**Optionholder**”) and Cannatrek Limited (“**Cannatrek**”), appended as Exhibit **[“E”]** to the ~~Report~~Affidavit of ~~the Receiver dated [DATE]~~Greg Guyatt sworn January 25, 2022 (the ~~"Report"~~“**Guyatt Affidavit**”), and vesting ~~in the Purchaser the Debtor~~Opco’s right, title and interest in and to the ~~assets described~~Option Shares (as defined in the ~~Sale~~Call Option Agreement) (the ~~"Purchased Assets")~~“**Cannatrek Option Shares**”) as set out herein, was heard this day ~~at 330 University Avenue,~~by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the ~~Report~~Guyatt Affidavit, the Seventeenth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the “**Monitor**”) dated January ●, 2022 (the “**Seventeenth Report**”), and on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING]~~Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME] sworn [DATE]~~service, filed~~[1]~~:

~~[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Call Option Agreement.

APPROVAL OF AGREEMENT AND TRANSACTION

3. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Cannatrek Transaction is hereby approved,[2] and the execution of the ~~Sale~~Call Option Agreement by ~~the Receiver~~[3]Opco is hereby authorized and approved~~,~~ with such minor amendments as Opco, in consultation with the ~~Receiver~~Monitor, may deem necessary. ~~The Receiver~~Opco is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Cannatrek Transaction and for the conveyance of the ~~Purchased Assets to the Purchaser~~CannaTrek Option Shares in accordance with the Call Option Agreement and this Order.

4. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that ~~upon the delivery of a Receiver~~a Monitor's certificate~~ to the Purchaser~~ substantially in the form attached as Schedule "A" hereto (the ~~"Receiver"~~"**Monitor's Certificate**~~"~~") shall, in each instance, specify in its preamble the Cannatrek Option Shares to be transferred (the "**Exercised Cannatrek Option Shares**") and the name of the transferee, regardless of whether that is

---

~~[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

~~[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

the Optionholder or a nominee (as specified in the Monitor's Certificate, the "**Buyer**"), in respect of each sale transaction when an option is exercised pursuant to the Call Option Agreement, and upon the delivery of each Monitor's Certificate, all of ~~the Debtor'~~Opco's right, title and interest in and to the ~~Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto]~~[4]Exercised Cannatrek Option Shares specified in such Monitor's Certificate shall vest absolutely in the ~~Purchaser~~Buyer specified in such Monitor's Certificate, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"[5]), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by ~~the Order of the Honourable Justice [NAME]~~any order in these proceedings, including in the Amended and Restated Initial Order dated April 9, 2020 (as amended and restated from time to time) and the DIP Approval Order dated ~~[DATE]~~April 30, 2021; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system~~; and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the ~~"~~"**Encumbrances**~~", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D)~~" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ~~Purchased Assets~~Exercised Cannatrek Option Shares specified in a Monitor's Certificate are hereby expunged and discharged as against ~~the Purchased Assets.~~

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed~~

---

[4] ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

[5] ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

~~by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*][6], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto~~those Exercised Cannatrek Option Shares, effective upon delivery of the Monitor's Certificate in respect of such Exercised Cannatrek Option Shares.

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds~~[7]~~ from the sale of ~~the Purchased Assets~~all Exercised Cannatrek Option Shares shall stand in the place and stead of ~~the Purchased Assets~~such Exercised Cannatrek Option Shares, and that from and after the delivery of ~~the Receiver'~~each Monitor's Certificate, all Claims and Encumbrances that are expunged and discharged as against the Exercised Cannatrek Option Shares specified in such Monitor's Certificate shall attach to the net proceeds from the sale of ~~the Purchased Assets~~such Exercised Cannatrek Option Shares with the same priority as they had with respect to ~~the Purchased Assets~~such Exercised Cannatrek Option Shares immediately prior to the sale~~[8]~~, as if ~~the Purchased Assets~~such Exercised Cannatrek Option Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the ~~Receiver~~Monitor, in respect of each Monitor's Certificate, to file with the Court a copy of ~~the Receiver'~~such Monitor's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted~~

~~[6] Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

~~[7] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

~~[8] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of ~~the Debtor~~Opco and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ~~the Debtor~~Opco;

the vesting of the ~~Purchased Assets in the Purchaser~~Exercised Cannatrek Option Shares in the Buyer, in each case as specified in the Monitor's Certificate, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ~~the Debtor~~Opco and shall not be void or voidable by creditors of ~~the Debtor~~Opco, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **THIS COURT ORDERS**~~ AND DECLARES~~ that ~~the Transaction~~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.

9. **THIS COURT ORDERS** that this Order is ~~exempt~~effective from the ~~application of the *Bulk Sales Act* (Ontario)~~date that it is made and is enforceable without any need for entry and filing.

10. ~~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 ~~Receiver~~Applicants and ~~its~~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 ~~Receiver~~Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Applicants and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order.

~~**Schedule A – Form of Receiver's Certificate**~~SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

~~– and –~~

~~**DEFENDANT**~~

~~Defendant~~

~~**RECEIVER'S CERTIFICATE**~~

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

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the ~~"~~"**Court**~~"~~") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~March 31, 2020, as amended, Ernst & Young Inc. was appointed as ~~the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor")~~monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated ~~[DATE]~~January 31, 2022, the Court approved the ~~agreement of purchase and sale made as of [DATE OF AGREEMENT]~~transaction contemplated by the Call Option Agreement dated January 18, 2022 (the ~~"Sale~~ "**Agreement**~~"~~") between ~~the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") and provided~~CannTrust Inc. ("**Opco**"), David Oshlack (the "**Optionholder**") and Cannatrek Limited ("**Cannatrek**"), appended as Exhibit "E" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), for the vesting in the ~~Purchaser~~Buyer (as defined below), of ~~the Debtor~~Opco's right, title and interest in and to the ~~Purchased Assets~~Exercised Cannatrek Option Shares (defined below), which vesting is to be effective with respect to ~~the Purchased Assets~~such Exercised Cannatrek Option Shares upon the delivery by the ~~Receiver to the Purchaser~~Monitor of a certificate ~~confirming (i) the~~that specifies the Exercised Cannatrek Option Shares and name of the Buyer, and confirms: (i) that Opco has received payment ~~by the Purchaser~~ of the ~~Purchase~~relevant Exercise Price ~~for the Purchased Assets~~(as defined in the Call Option Agreement, the "**Exercise Price**") for the Exercised Cannatrek Option Shares payable on the relevant Exercise Completion Date pursuant to the Call Option Agreement; (ii) that the ~~conditions to~~ Closing Conditions (as defined in the Call Option Agreement, the "**Closing Conditions**"), Obligations of the Shareholder set out in section 7.1 of the Call Option Agreement and Obligations of the Optionholder set out in section ~~•~~ 7.2 of the ~~Sale~~Call Option Agreement have been satisfied or waived by ~~the Receiver~~Opco and the ~~Purchaser~~Optionholder; and (iii) the transaction in respect of the Exercised Cannatrek Option Shares set out below (the "**Transaction**") has been completed to the satisfaction of the ~~Receiver~~Monitor.

C. The Monitor has been advised by Opco or the Optionholder, as applicable, that:

i. **[NUMBER OF SHARES]** (the "**Exercised Cannatrek Option Shares**") will be transferred to **[NAME]** (the "**Buyer**");

ii. Opco has received payment of the relevant Exercise Price for the Exercised Cannatrek Option Shares payable on the relevant Exercise Completion Date pursuant to the Call Option Agreement;

iii. that the Closing Conditions, Obligations of the Shareholder set out in section 7.1 of the Call Option Agreement and Obligations of the Optionholder set out in section 7.2 of the Call Option Agreement have been satisfied or waived by Opco and the Optionholder, as applicable; and

iv. aside from the delivery of this certificate, the Transaction has been completed to the satisfaction of Opco or the Optionholder.

D. ~~C.~~ Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale~~ Agreement.

THE ~~RECEIVER~~MONITOR CERTIFIES the following:

1. ~~The Purchaser has paid and the Receiver~~Opco has received payment of the ~~Purchase~~relevant Exercise Price for the ~~Purchased Assets~~Exercised Cannatrek Option Shares payable on the ~~Closing~~relevant Exercise Completion Date pursuant to the ~~Sale~~Call Option Agreement~~;~~

2. The ~~conditions to~~ Closing ~~as~~Conditions, Obligations of the Shareholder set out in section ~~•~~7.1 of the ~~Sale~~Call Option Agreement and Obligations of the Optionholder set out in

section 7.2 of the Call Option Agreement have been satisfied or waived by ~~the Receiver~~Opco and the ~~Purchaser; and~~ Optionholder, as applicable.

3. The Transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

4. This Certificate was delivered by the ~~Receiver~~Monitor at ___________ [TIME] on ___________________________________ [DATE].

~~**[NAME OF RECEIVER],**~~

ERNST & YOUNG INC., solely in its capacity as ~~**Receiver**~~court-appointed monitor of the ~~**undertaking, property and assets of [DEBTOR]**~~Applicants, and not in its personal capacity or in any other capacity

Per: ________________________________

Name:

Title:

~~Revised: January 21, 2014~~

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.

~~**Schedule B – Purchased Assets**~~

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

~~**Schedule C – Claims to be deleted and expunged from title to Real Property**~~

~~Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property~~

~~(unaffected by the Vesting Order)~~

	ONTARIO **SUPERIOR COURT OF JUSTICE** **COMMERCIAL LIST**
	ORDER (Approval and Vesting Order) (Sale of Cannatrek Interest)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342 Email:
hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43544565

Document comparison by Workshare Compare on Tuesday, January 25, 2022 9:52:40 PM

Input:	
Document 1 ID	file://C:\Users\nrambaran\Downloads\approval-and-vesting-order-EN (10).doc
Description	approval-and-vesting-order-EN (10)
Document 2 ID	file://C:\Users\nrambaran\Desktop\CT MOTION - Jan 25 2022\CannTrust - Approval and Vesting Order (Cannatrek).pdf
Description	CannTrust - Approval and Vesting Order (Cannatrek)
Rendering set	MTStandard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	182
Deletions	177
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	359

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

Proceeding commenced at Toronto

MOTION RECORD

(Stay Extension and Sale Approval Orders)
(Returnable January 31, 2022)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6

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

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43555528