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

SCHEDULE "B"

Monitor's Plan Implementation Certificate

Court File No. 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.

Applicants

MONITOR'S PLAN IMPLEMENTATION CERTIFICATE

WHEREAS pursuant to the Order of this Court dated March 31, 2020, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicants in the within CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS pursuant to the Order of this Court dated April 16, 2021, CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") filed a plan of compromise, arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) (as may be amended or restated in accordance with its terms, the "**CCAA Plan**") with the Court;

AND WHEREAS the CCAA Plan has been sanctioned by this Honourable Court by Order dated July 16, 2021 (the "**Sanction Order**");

AND WHEREAS section 9.3 of the CCAA Plan and paragraph 11 of the Sanction Order require the Monitor to serve on the service list in the CCAA Proceedings and post on the website established by the Monitor in respect of the CCAA Proceedings a certificate, signed by the Monitor, certifying that the Plan Implementation Date has occurred;

AND WHEREAS pursuant to the Sanction Order, upon the delivery of the certificate, signed by the Monitor, certifying that the Plan Implementation Date has occurred: (i) the CCAA Proceedings in respect of CTI Holdings (Osoyoos) Inc. ("**CTI**") will be terminated as of the

Effective Time; and (ii) Ernst & Young Inc. shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of CTI and shall be forever released, remised and discharged from any claims against it relating to its activities as monitor of CTI;

AND WHEREAS the CannTrust Plan Companies have delivered to the Monitor a copy of a certificate (i) stating that each of the Plan Implementation Conditions have been satisfied or waived and the Articles of Reorganization of CannTrust Holdings have 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;

AND WHEREAS the Plan Implementation Date has occurred;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the CCAA Plan;

THE MONITOR HEREBY CERTIFIES that:

1. The Plan Implementation Date has occurred; and

2. This Certificate is delivered by the Monitor on ____________________, 2021 at ________________ which is the Effective Time for the purposes of the CCAA Plan and the Sanction Order.

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:

SCHEDULE "C"

Monitor's Discharge Certificate

Court File No. 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.

Applicants

MONITOR'S DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order of this Court dated March 31, 2020, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicants in the within CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS pursuant to the Order of this Court dated April 16, 2021, CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") filed a plan of compromise, arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) (as may be amended or restated in accordance with its terms, the "**CCAA Plan**") with the Court;

AND WHEREAS the CCAA Plan has been sanctioned by this Honourable Court by Order dated July 16, 2021 (the "**Sanction Order**");

AND WHEREAS paragraph 54 the Sanction Order requires that, upon (i) fulfillment of the Monitor's duties under the Claims Procedure Order, the Meeting Order and the Sanction Order; and (ii) the Monitor receiving an acknowledgement of payment in full of the claims secured by the Administration Charge, the Monitor shall serve on the service list in the CCAA Proceedings and post on the website established by the Monitor in respect of these proceedings a certificate, signed by the Monitor, certifying same;

AND WHEREAS the Monitor has completed its duties under the Claims Procedure Order, the Meeting Order and the Sanction Order and has received an acknowledgement of payment in full of the claims secured by the Administration Charge;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the CCAA Plan;

THE MONITOR HEREBY CERTIFIES that:

1. The Monitor has completed its duties under the Claims Procedure Order, the Meeting Order and the Sanction Order;

2. The Monitor has received an acknowledgement of payment in full of the claims secured by the Administration Charge;

3. Upon the filing of this Monitor's Discharge Certificate:

   (a) the CCAA Proceedings shall be terminated;

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

   (c) the Administration Charge (as provided for and defined in the Initial Order and any subsequent Orders in the CCAA Proceedings) shall be terminated, discharged, expunged and released; and

   (d) any Claims Officer appointed in accordance with the Claims Procedure Order shall be discharged and released from all duties, obligations and responsibilities as Claims Officer pursuant to the Orders in the CCAA Proceedings; and

4. This Certificate is delivered by the Monitor on ____________________, 2021.

Ernst & Young Inc., solely in its capacity as court appointed monitor of the CannTrust Plan Companies, and not in its personal capacity or in any other capacity

Per: ____________________________________

Name:

Title:

SCHEDULE "D"

Motion Materials

1. Motion Record of the Applicants dated July 13, 2021, containing:
    a. Affidavit of Greg Guyatt sworn July 13, 2021
2. Motion Record of the CCAA Representatives dated June 2, 2021, containing:
    a. Affidavit of Serge Kalloghlian affirmed June 2, 2021
3. Supplementary Motion Record of the CCAA Representatives dated June 16, 2021, containing:
    a. Affidavit of Serge Kalloghlian affirmed June 16, 2021
4. Tenth Report of the Monitor, dated May 21, 2021
5. Eleventh Report of the Monitor, dated June 2, 2021
6. Supplement to the Eleventh Report of the Monitor, dated June 4, 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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

SANCTION ORDER

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

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

MT MTDOCS 21206416v20

TAB C

This is **Exhibit "C"** referred to in the
Affidavit of **Greg Guyatt**, sworn before me,
this 18th day of February, 2022

N Rambaran

A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

SUBSCRIPTION AGREEMENT

TO: **CannTrust Equity Inc.** (the "**Company**")

FROM: **Marshall Fields International B.V.** (the "**Subscriber**")

The undersigned Subscriber, on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase [redacted] common shares (the "**Securities**" or the "**Shares**") of the Company, at a price of $[redacted] per Share (the "**Issue Price**"), subject to the following terms and conditions.

This subscription agreement, which for certainty includes and incorporates the attached Terms and Conditions of Subscription (the "**Terms and Conditions of Subscription**") and the schedules attached hereto, are collectively referred to as the "**Subscription Agreement**". The Foreign Subscriber's Certificate attached hereto as Schedule B is referred to in the Subscription Agreement as a "**Subscriber Certificate**".

The Subscriber, on its own behalf, and, if applicable, on behalf of each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, agrees to be bound by the Terms and Conditions of Subscription, including without limitation the representations, warranties and covenants set forth in the schedules attached thereto, and the representations, warranties and covenants set forth in the applicable Subscriber Certificate, and acknowledges and agrees, without limitation, that the Company and its counsel may rely on the Subscriber's representations, warranties and covenants contained in the Subscription Agreement. The Securities are available upon and subject to the terms and conditions set forth herein, including the terms, representations, warranties, covenants and acknowledgements herein and in the schedules attached hereto. References to "$" refer to Canadian dollars.

This subscription is irrevocable and subject to acceptance or rejection by the Company in whole or in part.

______________________________ **Marshall Fields International B.V.** By:______________________________ (Authorized Signature) ______________________________ (Official Capacity or Title – please print) ______________________________ (Please print name of individual whose signature appears above if different than the name of the Subscriber printed above) ______________________________ (Subscriber's Address) ______________________________ ______________________________ ______________________________ (Telephone Number) ______________________________ (E-mail Address)	**Number of Shares:** [redacted] **Aggregate Subscription Price:** CAD $[redacted] **<u>Disclosed Beneficial Purchaser Information:</u>** If the Subscriber is signing as agent for a beneficial purchaser, please complete the following (unless the Subscriber is an accredited investor by virtue of being a trust company or trust corporation acting on behalf of a fully managed account or is a person acting on behalf of a fully managed account managed by it and registered or authorized to carry on business as a securities adviser): ______________________________ (Name of Beneficial Purchaser) ______________________________ (Beneficial Purchaser's Address) ______________________________ ______________________________ (Beneficial Purchaser's Telephone Number and E-mail Address)

Register the Shares as set forth below:	Deliver the Shares as set forth below:
______________________ (Name)	______________________ (Name)
______________________ (Account reference, if applicable)	______________________ (Account reference, if applicable)
______________________ (Address)	______________________ (Contact Name)
______________________	______________________ (Address)
______________________	______________________

ACCEPTANCE: The Company accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement. The Company and CannTrust Holdings (as defined below) as parent to the Company, represent and warrant to the Subscriber that the representations and warranties with respect to CannTrust Group (as defined below) set forth herein will be true and correct in all material respects as of the Closing Date and that the Subscriber is entitled to rely thereon.

__________________, 2022

CANNTRUST EQUITY INC.

By: ______________________

Name: ______________________

Title: ______________________

CANNTRUST HOLDINGS INC.

By: ______________________

Name: ______________________

Title: ______________________

TERMS AND CONDITIONS OF SUBSCRIPTION

1. Terms of the Offering.

(a) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Shares subscribed for by it hereunder form part of a larger issuance and sale by the Company, including to the Subscriber as a non-brokered private placement consisting of the issuance and sale of up to [redacted] Shares at a price of $[redacted] per Share for maximum gross proceeds of $[redacted] (the "**Offering**"), exempt from any requirement to prepare, file or deliver a prospectus or similar document contained in any statute, regulation, instrument, rule or policy applicable to the sale of the Securities or upon the issue of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or filing or delivering a similar document, to qualify the distribution of such Shares to the Subscriber.

(b) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Company in whole or in part at any time prior to the Closing Time. In the event that the Company rejects this Subscription Agreement, any subscription proceeds advanced will be promptly returned to the Subscriber without interest or deduction. Upon acceptance by the Company of this Subscription Agreement, same will constitute an agreement of the Subscriber to subscribe for and purchase from the Company, and of the Company to sell to the Subscriber, the number of Shares set out on the face page hereof.

2. Definitions. In addition to the terms previously defined and terms defined elsewhere in this Subscription Agreement, the following terms shall have the following meanings, respectively:

(a) "**Approval Order**" means an order of the CCAA Court approving, among other things, the execution and delivery of this Subscription Agreement by the Company and CannTrust Holdings and the Investor DIP Facility Agreement;

(b) "**associate**", "**affiliate**" and "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(c) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto, Ontario are not open for business;

(d) "**CannTrust Group**" means, collectively, CannTrust Holdings, the Company and any of their respective affiliates;

(e) "**CannTrust Holdings**" means CannTrust Holdings Inc., a corporation existing under the laws of Ontario;

(f) "**CCAA Court**" has the meaning ascribed to it in the CCAA Plan;

(g) "**CCAA Plan**" means the fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Holdings, CannTrust Inc. and Elmcliffe Investments Inc. dated July 6, 2021;

(h) "**Closing**" means the completion of the issue and sale by the Company and the subscription by the Subscribers for [redacted] Shares for an aggregate subscription price of $[redacted] on the Closing Date, pursuant to the provisions of this Subscription Agreement;

(i) "**Closing Date**" means **[March 3]**, 2022, or such other date as soon as possible thereafter as the Company and the Subscriber mutually determine;

(j) "**Closing Time**" means 5:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Subscriber may agree;

(k) “**Company**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(l) “**Cortland DIP Loan**” means the summary of terms and conditions made as of April 13, 2021, between CannTrust Holdings and Cortland Credit Lending Corporation, among others, as amended or supplemented from time to time;

(m) “**Designated Jurisdictions**” means all of the provinces of Canada, to the extent that any Subscribers are resident therein;

(n) “**Executives**” means Greg Guyatt and Jeffrey Zietlow;

(o) “**International Jurisdiction**” has the meaning ascribed to it in Section (q) of this Subscription Agreement;

(p) “**Investor DIP Facility Agreement**” means the agreement entered between the Subscriber and the Company whereby the Subscriber will make available to the Company a facility in a maximum amount of $5,000,000.00;

(q) “**Issue Price**” has the meaning ascribed to it in Section (a) of this Subscription Agreement;

(r) “**McCarthy Tétrault LLP**” means the office of McCarthy Tétrault LLP in Toronto, Ontario, including any employed representative thereof;

(s) “**Offering**” has the meaning ascribed to it in Section (a) of this Subscription Agreement;

(t) “**person**” shall be broadly interpreted and shall include an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(u) “**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to a Securities Commission or stock exchange, whether pursuant to a form or request made by a Securities Commission or stock exchange, and includes, but is not limited to, the amount of Shares subscribed for by such person and whether the Subscriber is an “insider” of the Company or a “registrant” (each as defined under applicable Securities Laws of the Province of Ontario) or any other information contained in this Subscription Agreement (including, for greater certainty, the Subscriber Certificate incorporated by reference herein);

(v) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(w) “**Securities**” or “**Shares**” means the common shares of the Company;

(x) “**Securities Commissions**” means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(y) “**Securities Laws**” means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(z) “**Subscriber**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(aa) “**Subscriber Certificate**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(bb) “**Subscription Agreement**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(cc) "**Subscription Price**" means the product of the Issue Price and the total number of Shares subscribed for under this Subscription Agreement;

(dd) "**Terms and Conditions of Subscription**" has the meaning ascribed to it on the second page of this Subscription Agreement;

(ee) "**Term Sheet**" means the indicative term sheet in respect of the Offering, a copy of which is attached hereto as Schedule A-1 to this Subscription Agreement;

(ff) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S;

(gg) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(hh) "**U.S. Subscriber**" has the meaning ascribed to it on the first page of this Subscription Agreement; and

(ii) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

3. Delivery and Payment.

(a) In respect of the Offering, the Subscriber agrees that the following shall be delivered to McCarthy Tétrault LLP or as otherwise indicated, on behalf of the Company, in accordance with the directions and by the date and time set out on the face page hereof:

(i) a completed and duly signed copy of this Subscription Agreement;

(ii) if the Subscriber or beneficial purchaser, if any, is resident in a jurisdiction outside of Canada and is not a U.S. Subscriber, a duly completed and executed copy of the Foreign Subscriber's Certificate in the form attached hereto as Schedule B;

(iii) the Subscription Price payable by the Subscriber for the Securities in such method of payment and to such recipient bank or trust account as directed by the Company or McCarthy Tétrault LLP, prior to execution of this Subscription Agreement; and

(iv) any other documents required by the Securities Laws which the Company requests.

(b) The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Company. The Subscriber and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby.

(c) Use of proceeds. The net proceeds from the Offering will be used for working capital and general corporate purposes.

4. Closing. The transactions contemplated hereby will be completed on the Closing Date at the offices of McCarthy Tétrault LLP, in Toronto, Ontario. The Company shall be entitled to rely on delivery of a scanned (PDF) or facsimile copy of the executed Subscription Agreement, and acceptance by the Company of such scanned or facsimile Subscription Agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of a Subscription Agreement is delivered to the Company at the Closing Time, the Company shall be entitled to assume that the Subscriber accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at the Closing Time and that such pages have not been altered.

Representations, Warranties and Covenants with respect to CannTrust Group. CannTrust Holdings and the Company hereby represent and warrant to, and covenant with, the Subscriber as follows as of the date hereof and as of the Closing Time and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein:the Company and members of the CannTrust Group are validly existing and subsisting corporations incorporated under the laws of the Province of Ontario or under the laws of their respective jurisdictions, are in good standing and have the full corporate power and authority to perform each of their respective obligations as herein contemplated and have requisite corporate power and capacity to carry on the business of the Company as presently conducted;

(b) this Subscription Agreement, any related transaction documents (which shall include, for greater certainty, the unanimous shareholders agreement referred to in Schedule A-2 herein) when accepted by the Company, and all other certificates and instruments delivered in connection with the Offering will, at the Closing Time, subject to compliance with the Approval Order, constitute legal, valid and binding obligations of the Company and CannTrust Holdings, enforceable in accordance with their respective terms subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

(c) the execution and delivery of, and the performance of the terms of the Subscription Agreement by the Company, including, the issue of the Securities does not and will not constitute a breach of or default under the constating documents of the Company or, subject to the Approval Order, any law, regulation, order or ruling applicable to the Company or any agreement, contract or indenture to which the Company is a party or by which it is bound;

(d) other than (i) as set out in the CCAA Plan; (ii) proceedings in respect of claims settled by the CCAA Plan and to be discharged; or (iii) disclosed in writing to the Subscriber on or prior to the date hereof, there are no material claims, proceedings, actions or lawsuits in existence, or, to the Company's knowledge, pending or threatened, against the CannTrust Group;

(e) the Company is authorized to issue an unlimited number of common shares, of which there are at the date hereof 141,487,194 common shares issued and outstanding, all of which are owned by CannTrust Holdings;

(f) the Company and each member of the CannTrust Group have all permits, licences and governmental authorizations necessary and required for their respective operations;

(g) neither the Company nor any member of the CannTrust Group is a party to any real or immovable property lease other than the leases that have been made available to Subscriber;

(h) the accounts receivable owing to CannTrust Goup as shown on its financial statements are actual and bona fide receivables resulting from the conduct of the business of CannTrust Group in its ordinary course;

(i) each of the member of the CannTrust Group is, and has been continuously since January 1, 2020, insured by reputable and financially responsible insurers and the insurance policies are appropriate to the business of the CannTrust Group in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable business;

(j) the Company and each member of the CannTrust Group has prepared and filed all tax returns within the prescribed period with the appropriate tax authority in accordance with applicable laws and regulation and each such tax return is true, complete and accurate;

(k) except as has been disclosed to the Subscriber by the CEO of the Company, the operations of CannTrust Group have at all times been carried on and are currently being carried on in compliance with all environmental laws in all material respects and CannTrust Group has not used any of its property, or permitted them to be used, to generate, manufacture, refine, treat, transport, process produce any substance other than in compliance with all environmental laws and no work or expenditure is required by CannTrust Group to ensure its compliance with all applicable environmental laws;

(l) neither the Company nor any member of the CannTrust Group is a party to, or subject to or affected by any certification orders, collective agreement or any other contract with a labour or trade union or employee association and there are no pending proceedings for a certification. Except as has been disclosed to the Subscriber by the Company, no complaint, claim or other proceeding has been filed or commenced against neither the Company nor any member of the CannTrust Group with respect of any of their respective employees and CannTrust Group has always complied with all applicable employment and labour laws, including under occupation health and safety, pay equity or employment standards laws;

(m) at the Closing Time, subject to complying with the Approval Order, all material third-party consents that may be necessary or useful to complete the Offering will be obtained, including consents from governmental authorities, customers or clients, lenders and lessors, without requiring any conditions or obligations on the Subscriber;

(n) at the Closing Time, subject to complying with the Approval Order, the Company and each member of the CannTrust Group will have obtained all necessary orders and approvals required to complete the Offering;

(o) except for CannTrust Group's potential sale of all or part of its investments in Cannatrek Ltd. and Grey Wolf Animal Health Inc. and any transactions or events in the ordinary course of business or with the written approval of the Subscriber, CannTrust Group will not, between the date of this Subscription Agreement and the Closing Date:

   (i) have sold, assigned, transferred, leased or otherwise disposed of its material assets or have created any hypothec, security interest, charge or other encumbrance thereupon, nor have made any commitment to do any of the foregoing;

   (ii) have modified the remuneration and other forms of benefits payable to its employees;

   (iii) have incurred capital expenditures or acquired assets;

   (iv) be party to any legal proceedings, except (A) those proceedings before the CCAA Court (court file no.CV-20-0063830-00CL); (B) proceedings in respect of claims settled by the CCAA Plan and to be discharged; or (C) those proceedings disclosed in writing to the Subscriber on or prior to the date hereof;

   (v) have cancelled or terminated, materially modified or knowingly allowed to lose any permit or governmental authorization necessary for its operations;

   (vi) except pursuant to the CannTrust Equity 2021 Omnibus Incentive Plan, have issued, or agreed to issue, any shares, bonds, obligations, or other securities, or any instruments that gives its holder the right to acquire or subscribe for shares, bonds, obligations, or other securities; and

   (vii) passed or adopted any resolution regarding its winding-up or dissolution, including that of any entity described in Schedule A-1 of the Term Sheet; and

(p) at the Closing Time, CannTrust Group will be the sole and absolute owner of and have a good and valid title to all its assets, free and clear of any encumbrance, other than (i) Permitted Encumbrances (as defined in the Investor DIP Facility Agreement); or (ii) as set out in the CCAA Plan or others for which the Subscriber will have expressly consented.

6. Completeness of Disclosure and Reliance upon and Survival of Representations, Warranties and Covenants with respect to the CannTrust Group.

(a) The Company acknowledges that the Subscriber is relying on the foregoing representations, warranties and covenants in connection with the transactions contemplated herein, all of which shall survive the Closing.

(b) Neither this Subscription Agreement nor any transaction document to which the Company or CannTrust Holdings is a party (i) contains or will contain any untrue statement of a material fact, or (ii) omits or will omit any material fact necessary in order to make the statements contained herein or therein not misleading.

(c) The Company has made available to Subscriber through the "*sharefolder*" virtual dataroom all documentation, including commercial, financial, marketing, sales and operational documentation, relating to CannTrust Group which are and would be material to a purchaser of the Securities.

7. Indemnification by the Company and CannTrust Holdings. The Company and CannTrust Holdings shall jointly but not severally indemnify, defend and hold harmless the Subscriber from and against, and shall pay to Subscriber, on demand, the amount of any damages suffered by, imposed upon or asserted against the Subscriber as a result of, in respect of, if and to the extent caused by:

(a) any inaccuracy in or breach of any representation or warranty with respect to CannTrust Group made by the Company or CannTrust Holdings in **Article 5** of this Subscription Agreement; and

(b) any breach or nonfulfillment by the Company or CannTrust Holdings of the covenants of the Company set forth this Subscription Agreement.

8. Subscriber's Representations and Warranties. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Securities shall continue in full force and effect for the benefit of the Company following the Closing Date for a period of two years:

(a) **<u>Authorization and Effectiveness.</u>** If the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a corporation, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a partnership, syndicate or other form of unincorporated organization, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber and the beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, enforceable against the Subscriber and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber or the beneficial purchaser is a party or by which the Subscriber or beneficial purchaser is bound or any law applicable to the Subscriber or beneficial purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber or beneficial purchaser;

(b) **Residence.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, was offered the Shares in, and is a resident of, or if not an individual has its head office in, the jurisdiction referred to under the heading "Name and Address of Subscriber" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 hereof, intends that the securities laws of that jurisdiction do and shall govern this subscription by the Subscriber of the Shares, is not aware of any reason why the laws of such jurisdiction would not govern such subscription and that such addresses were not created and are not used solely for the purpose of acquiring the Securities;

(c) **Private Placement Exemptions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has properly completed, executed and delivered to the Company the Subscriber Certificate attached hereto (dated as of the date hereof) and the information contained therein is true and correct and the representations, warranties and covenants contained in the Subscriber Certificate attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;

(d) **Subscriber Certificate.** The Subscriber has properly completed, executed and delivered as principal, or, if the Subscriber is contracting hereunder as trustee, agent, representative or nominee for one or more beneficial purchasers, on behalf of each such beneficial purchaser, the Subscriber Certificate, and related appendix, if applicable;

(e) **Investment Purposes.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, is subscribing for the Shares for investment purposes only and not with a view to resale or distribution that would or may contravene the prospectus requirements of Securities Laws;

(f) **Illegal Use of Funds.** None of the funds being used to subscribe for the Securities are to the Subscriber's or beneficial purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to subscribe for the Securities which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges that the Company may in the future be required by law to disclose the Subscriber's or beneficial purchaser's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA or the PATRIOT Act. To the best of its knowledge (i) none of the funds to be provided by the Subscriber or the beneficial purchaser are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Company if the Subscriber or beneficial purchaser discovers that any of such representations cease to be true, and to provide the Company with appropriate information in connection therewith;

(g) **Trade Sanctions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, is not a person or entity identified in *the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, the *United Nations Al-Qaida and Taliban Regulations*, the *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea*, the *Regulations Implementing the United Nations Resolution on Iran*, the *United Nations Cote d'Ivoire Regulations*, the *United Nations Democratic Republic of the Congo Regulations*, the *United Nations Liberia Regulations*, the *United Nations Sudan Regulations*, the *Special Economic Measures (Zimbabwe) Regulations* or the *Special Economic Measures (Burma) Regulations* (collectively, the "**Trade Sanctions**"). The Subscriber (and each beneficial purchaser, if any) acknowledges that the Company may in the future be required by law to disclose the name and other information of the Subscriber and the beneficial purchaser, if any, related to the acquisition of the Securities hereunder, on a confidential basis, pursuant to the Trade Sanctions;

(h) **Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, , for whom it is acting as trustee or agent, have been advised to consult their own legal advisors with respect to trading in the Securities with respect to the statutory resale restrictions imposed by the Securities Laws in the jurisdiction in which the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, to resell such securities, that the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible to find out what these restrictions are and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or any beneficial purchaser for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws. The physical certificate (or other instruments) evidencing the Securities shall bear legends denoting such restrictions substantially in the following form:

"*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) [the Closing Date], and (ii) the date the issuer became a reporting issuer in any province or territory*."

(i) **Compliance with Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, fully understands the restrictions on resale on the Securities and will not resell the Securities except in accordance with the provisions of applicable Securities Laws;

(j) **Company or Unincorporated Organization.** If the Subscriber, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption from applicable Securities Laws or exemption from the registration requirements of the U.S. Securities Act;

(k) **Absence of Offering Memorandum or Similar Document.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company (other than this Subscription Agreement and the Term Sheet), nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Securities being offered under the Offering;

(l) **Absence of Advertising.** The offering and sale of the Shares to the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not made or solicited through, and the Subscriber and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to this Offering, or any directed selling efforts within the meaning of Regulation S, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(m) **Investment Suitability.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Securities and is able to bear the economic risk of and can afford the total loss of such investment;

(n) **Other Documents.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will execute and deliver any other documents required by applicable Securities Laws to permit the subscription for and purchase of the Shares on the terms herein set forth which the Company requests, acting reasonably;

(o) **Personal Information.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges that this Subscription Agreement requires the Subscriber to provide certain Personal Information to the Company and its advisors as reasonably necessary in connection with the Offering. Such information is being collected and will be used by the Company for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to subscribe for and purchase the Shares under applicable Securities Laws, the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, and completing filings required by the Securities Commissions and under the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, . The Subscriber agrees that the Subscriber's Personal Information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities; (ii) any government agency, board or other entity; and (iii) any of the other parties involved in the Offering, including the Company and its legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's Personal Information;

(p) **Compliance with United States Securities Laws.** The Subscriber acknowledges and agrees that:

(i) the Shares have not been offered to the Subscriber while the Subscriber was in the United States, and the individuals making the order to purchase the Shares and executing and delivering this Subscription Agreement for the account or benefit of the Subscriber were not in the United States when the order was placed or when this Subscription Agreement was executed and delivered;

(ii) the Subscriber is not in the United States or a U.S. Person and is not purchasing the Shares for the account or benefit of a person in the United States or a U.S. Person, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States;

(iii) the Subscriber is not purchasing the Shares as the result of any “directed selling efforts” (as defined in Rule 902(c) of Regulation S and, including any press releases made by the Company relating to the Offering or any report, notification or summary of the same) made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing;

(iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act or any applicable state securities laws; and

(v) the Subscriber undertakes and agrees that it will not offer or sell the Securities in the United States unless such Securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Securities, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules.

(q) **<u>International Subscribers</u>.** If the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is a resident of a country other than Canada and is not a U.S. Subscriber (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(i) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Subscriber is subscribing for the Shares pursuant to exemptions from the prospectus, financial promotion and registration requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Shares under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws of the International Jurisdiction do not require the Company to file a prospectus, offering memorandum or similar document or to register or qualify the distribution of the Securities or for the Company to be registered with or to make any filings or seek any approvals of any kind whatsoever from any governmental or regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Company and the issuance of the Securities to the Subscriber complies with all applicable laws of the Subscriber's jurisdiction of residence or domicile and all other applicable laws and will not cause the Company to become subject to or comply with any continuous disclosure, prospectus or other periodic filing or reporting requirements under any such applicable laws; and

(v) the Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as <u>Schedule B</u> and represents and warrants set forth therein shall be accurate as of the date hereof and as of the Closing Time.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, acknowledges and agrees that the foregoing representations and warranties, and the acknowledgments made in Section 9 hereof, are made by it with the intention that they may be relied upon by the Company and its counsel in determining the Subscriber's eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to subscribe for the Shares under the Securities Laws and other applicable securities laws. The Subscriber and each beneficial purchaser further agrees that by accepting delivery of the Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time. The Subscriber and the beneficial purchaser undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Subscriber or beneficial purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

9. Subscriber's Acknowledgements. The Subscriber, and any beneficial purchaser(s) for whom the Subscriber is acting, acknowledges and agrees that: (i) no agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed or passed on, made any finding or determination as to the merit for investment in the Company, nor have any such agencies, securities commissions or governmental authorities made any recommendation or endorsement with respect to the Securities or the Offering; (ii)there is no government or other insurance covering the Securities; and (iii) there are risks associated with the subscription for and purchase of the Shares;

(b) the subscription for the Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(c) there is no market for the Securities and there is no assurance that a market will develop in the future and that no representation has been made to the Subscriber by or on behalf of the Company with respect thereto;

(d) the Shares are being offered for sale only on a "private placement" basis;

(e) the Subscriber has received a copy of the Term Sheet attached hereto as Schedule A-1, setting out the principal terms of the Offering;

(f) all costs and expenses incurred by the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, (including any fees and disbursements of legal counsel retained by the Subscriber or any beneficial purchaser) relating to the subscription for and purchase of the Shares shall be borne solely by the Subscriber or the beneficial purchaser;

(g) the Subscriber acknowledges that the Company's counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Subscriber's or the beneficial purchaser's, if any, investment decision has been made;

(h) no person has made any written or oral representations: (i) that any person will resell or repurchase the Shares following subscription of the Shares; (ii) that any person will refund the Subscription Price; or (iii) as to the future price or value of the Securities;

(i) the original Subscriber may not engage in any hedging transactions involving the Securities or resell or otherwise transfer the Securities to U.S. Persons or to persons in the United States or to or for the account or benefit of U.S. Persons or persons in the United States, except in compliance with the U.S. Securities Act and applicable state securities legislation;

(j) the Subscriber is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the offer and sale of the Shares and the issuance of the Securities, the execution, delivery and performance by it of this Subscription Agreement, applicable tax considerations and the applicable hold periods and resale restrictions imposed in respect of the Securities by applicable securities legislation and regulatory policies, and confirms that it (and any disclosed principal, if applicable) is not relying on the Company or its counsel to any of them in this regard. The Subscriber is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;

(k) there may be material tax consequences to the Subscriber of an acquisition or disposition, as applicable, of the Shares and the Company gives no opinion and makes no representation with respect to the tax consequences to the Subscriber of an acquisition, disposition or exercise, as applicable, of the Shares or the Securities, it being understood that it is the sole responsibility of the Subscriber to determine the tax consequences applicable to its particular circumstances;

(l) the Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Subscriber, and there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development;

(m) McCarthy Tétrault LLP is acting solely as counsel to the Company and not as counsel to the Subscriber;

(n) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to review this Subscription Agreement and the schedules attached hereto and the transactions contemplated by this Subscription Agreement and fully understands the same; and

(o) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities.

10. Further Acknowledgements of the Subscriber. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual), acknowledges that this Subscription Agreement and the Schedules hereto require the Subscriber to provide certain Personal Information to the Company and its respective counsel. Such information is being collected by the Company and its counsel for the purposes of completing the Offering described herein, which includes, without limitation, determining the Subscriber's eligibility to purchase the Shares under applicable securities legislation, preparing and registering certificates (or other instruments) representing the Shares to be issued to the Subscriber and completing filings required by any stock exchange, securities commission or securities regulatory authority, taxation authorities or other regulatory bodies. Certain securities commissions have been granted the authority to indirectly collect this Personal Information pursuant to securities legislation and this Personal Information is also being collected for the purpose of administration and enforcement of securities legislation. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) agrees that the Subscriber's Personal Information may be disclosed by the Company or its legal counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Company's registrar and transfer agent, if applicable; (c) taxation authorities; (d) regulatory bodies; and (e) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering and the Company's corporate records. By executing this Subscription Agreement, the Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) is deemed, where applicable, to be authorizing and consenting to the foregoing collection (including the indirect collection of Personal Information), use and disclosure of the Subscriber's Personal Information as set forth above. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission, securities regulatory authority or any other regulatory body in connection with the transactions contemplated hereby. In the event the Subscriber has any questions with respect to the indirect collection of such information, the Subscriber should contact the applicable securities regulatory authority at the contact details provided in <u>Schedule C</u> to this Subscription Agreements.**Subscriber's Covenants**. If the Company has reason to believe the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent does not qualify as an "accredited investor" under applicable Securities Laws, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent covenants and agrees to provide information as reasonably requested by the Company to verify that the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent qualifies as an accredited investor, which information may include, without limitation, financial records of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent.

12. Conditions of Closing.The respective obligations of the Company and the Subscriber to consummate the transactions contemplated hereunder in respect of the Closing are subject to the satisfaction or written waiver by such party, in whole or in part (to the extent such conditions can be waived), in their respective sole discretion, of the following conditions:

(i) Cortland Credit Lending Corporation shall have consented to the Offering in accordance with the terms of the Cortland DIP Loan;

(ii) amending the terms of the intercompany loan advanced by CannTrust Holdings to CannTrust Inc., on terms satisfactory to the Company and the Subscriber;

(iii) execution of a unanimous shareholders' agreement, in a form reasonably satisfactory to the Subscriber and CannTrust Holdings, substantially on the terms set forth in Schedule A-2 hereto;

(iv) the offer, issue, sale and delivery of the Securities, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the Company having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and

(v) no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Offering shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Offering which makes the consummation of the Offering illegal.

(b) The Subscriber acknowledges that the Company's obligation to sell the Shares to the Subscriber pursuant to the Closing is subject to the satisfaction (or written waiver by the Company, in whole or in part, to the extent such conditions can be waived), in its sole discretion, of the following conditions:

(i) the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, executing and returning to the Company all documents required by applicable Securities Laws (including but not limited to the applicable Subscriber Certificate) for delivery on behalf of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, including, without limitation, the applicable schedules attached hereto by no later than the date and time set out on the face page hereof; and

(ii) the representations and warranties of the Subscriber set out herein, including in the Subscriber Certificate attached hereto, being true and correct as at the Closing Time; and

(iii) the Subscriber shall have performed or complied in all material respects with all covenants and agreements required by this Subscription Agreement to be performed or complied with by the Purchaser at or prior to the Closing Time.

(c) The Company acknowledges that the Subscriber's obligation to consummate the transactions hereunder pursuant to the Closing is subject to the satisfaction (or written waiver by the Subscriber, in whole or in part, to the extent such conditions can be waived), in its sole discretion, of the following further conditions

(i) the representations and warranties of the Company and CannTrust Holdings set out herein being true and correct as at the Closing Time in all material respects;

(ii) the Company and CannTrust Holdings shall have performed or complied in all material respects with the relevant provisions of the Approval Order and all covenants and agreements required by this Subscription Agreement to be performed or complied with by the Company at or prior to the Closing Time;

(iii) no material adverse change in CannTrust Group's business properties, assets, liabilities, capitalization, condition (financial or other), operations, prospects or value will have occurred or been uncovered from the date hereof until the Closing Date;

(iv) the Subscriber shall have received a legal opinion from McCarthy Tétrault LLP with respect to the incorporation and existence of the Company and CannTrust Holdings and the enforceability of this Subscription Agreement;

(v) the minute book of the subsidiary Cannabis Coffee & Tea Pod Company Ltd. shall have been updated in a manner that is satisfactory to the Subscriber acting reasonably;

(vi) execution and delivery of an employment agreement between the Company and each of the Executives, on terms and conditions customary for an agreement of this nature, which is satisfactory to both the Subscriber and each Executive acting reasonably.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that (i) the sale of the Shares will not be qualified by a prospectus; (ii) the Securities have not been and will not be registered under the U.S. Securities Act, or applicable state securities laws; (iii) any such sale is subject to the condition that the Subscriber (or, if applicable, any others for whom the Subscriber is contracting hereunder) signs and returns McCarthy Tétrault LLP this Subscription Agreement, including any applicable schedules attached hereto; and (iv) McCarthy Tétrault LLP is acting solely as legal counsel to the Company in connection with the Offering and accepts no duty, responsibility or obligation to any other person.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that the Company may be required to provide to the Securities Commissions a list setting out the identities of the beneficial purchasers of the Securities. Notwithstanding that the Subscriber may be subscribing for the Securities as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Subscriber agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the Securities Laws and any other applicable laws.

13. **Modification**. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.**Assignment**. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Company and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express written consent of the Company.**Governing Law**. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in the City of Toronto with respect to any matters arising out of this Subscription Agreement.**Entire Agreement**. This Subscription Agreement (including the schedules hereto) and the Investor DIP Facility Agreement contain the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.**Time of Essence**. Time shall be of the essence of this Subscription Agreement.**Currency.** All dollar amounts referred to in this Subscription Agreement are in Canadian dollars, unless otherwise indicated.**Further Assurances**. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.**Singular and Plural, etc**. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine, and neuter genders.**Headings**. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

[*Remainder of page intentionally left blank*.]

SCHEDULE A-1
TERM SHEET

(See attached.)

SCHEDULE A-2

CANNTRUST EQUITY INC.

UNANIMOUS SHAREHOLDERS AGREEMENT – SUMMARY OF PRINCIPAL TERMS

1.	**Parties:**	CannTrust Equity and shareholders thereof (the "**Shareholders**")
2.	**Purpose of Agreement:**	A unanimous shareholders' agreement (the "**Shareholders' Agreement**") that sets out the rights and obligations of the Shareholders with respect to their Shares in the Company.
3.	**Share Exchange Option:**	Marshall Fields Holding B.V. ("**Marshall**") shall have the right, at its election (the "**Share Exchange Option**"), for a period of [18] months following the Closing Date ("**Share Exchange Option Period**"), to cause the exchange of its Shares for common shares of CannTrust Holdings (the "**Holdings Shares**"), on a one-for-one basis (the "**Share Exchange**").
4.	**Drag-Along Right:**	In the event that Marshall elects to exercise the Share Exchange Option, the remaining Shareholders (other than CannTrust Holdings) shall be required to exchange their Shares for Holdings Shares on the same terms
5.	**Conditions to Share Exchange Option:**	The exercise of the Share Exchange Option shall be conditional upon, among other things: • the revocation of the "failure to file" cease trade order dated April 13, 2020 made by the Ontario Securities Commission issued against CannTrust Holdings (the "**CTO**"); • the offer, issue, sale and delivery of the Holdings Shares, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the CannTrust Holdings having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and • no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Share Exchange Option shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Share Exchange Option which makes the consummation of the Share Exchange Option illegal.
6.	**Adjustments to Share Exchange Option:**	In the event that, prior to the exercise of the Share Exchange Option, CannTrust Holdings issues additional Holdings Shares, or securities convertible into Holdings Shares (collectively, "**Additional Securities**"), the Share Exchange Option ratio shall be adjusted accordingly such that, upon the exercise of the Share Exchange Option, Marshall shall own [90]%

		of all issued and outstanding Holdings Shares, taking into account the Additional Securities.
7.	**Share Exchange Option Not Exercised:**	In the event that the Share Exchange Option is not exercised during the Share Exchange Option Period, CannTrust Equity shall reimburse CannTrust Holdings for its reasonable costs and expenses related to its liquidation or winding up.
8.	**Rights Issue:**	In the event that the Share Exchange Option is exercised by Marshall, CannTrust Holdings will use its best efforts to initiate a rights offering within [150] days of the effective date of the Share Exchange in accordance with Part 2 of National Instrument 45-106 – *Prospectus Exemptions*, whereby shareholders of record of CannTrust Holdings prior to the Share Exchange (the "**Legacy Shareholders**") shall be offered rights to purchase Holdings Shares for a period of not less than 21 days and not more than 90 days from the date the rights offering notice is sent to the Legacy Shareholders, at a discounted subscription price to be determined by the board of directors of CannTrust Holdings and on such other terms to be agreed by Holdings and Marshall.
9.	**Other Provisions:**	The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, including pre-emptive rights, transfer restrictions and drag-along, among others. CannTrust Equity shall use its commercially reasonable efforts to have Marshall's director nominees named in the management slate of directors to be elected by the shareholders of CannTrust Holdings. The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, regarding certain protective rights to be granted to the Subscriber, which shall include, but not be limited to, fundamental decisions with respect to CannTrust, such as, for example, any amendment to the articles of CannTrust or the entering into any material agreements.
10.	**Governing Law:**	The Shareholders' Agreement shall be governed pursuant to the laws of Ontario.

SCHEDULE B

FOREIGN SUBSCRIBER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and Non-U.S. Subscribers)

TO: **CannTrust Equity Inc.** (the "**Company**")

Capitalized terms not specifically defined in this *__Schedule B__* *have the meanings ascribed to them in the Subscription Agreement to which this* *__Schedule B__* *is attached.*

In connection with the subscription by the undersigned Subscriber for the Shares, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

1. it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement (the "**International Jurisdiction**") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada;

2. it is knowledgeable of, or has been independently advised as to, the applicable securities laws of the securities regulatory authorities ("**Authorities**") having application in its International Jurisdiction that would apply to this subscription, if there are any;

3. it is subscribing for the Shares pursuant to exemptions from any substantive or procedural requirements (including without limitation exemptions from prospectus or registration requirements or equivalent requirements) under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to subscribe for the Securities under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;

4. The purchase of Shares by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber;

5. by committing to subscribe for the Shares, it has obtained all necessary consents and authorizations to enable it to agree to subscribe for the Shares and to perform its obligations under this Subscription Agreement and it has otherwise observed the laws and regulatory requirements of the International Jurisdiction, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in such International Jurisdiction in connection with its acceptance and it has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory or jurisdiction in connection with the Offering;

6. the applicable laws of the Authorities in the International Jurisdiction do not require the Company to make any filings or seek any approvals or exemptions of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the sale of the Shares;

7. 4. The Shares are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Shares;

8. the subscription for the Shares by the Subscriber does not trigger: (a) any obligation to prepare and file a prospectus, an offering memorandum or similar document, (b) any other report with respect to such subscription in the International Jurisdiction, (c) any continuous disclosure reporting obligation of the Company in the International Jurisdiction or (d) any registration or other obligation on the part of the Company under the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject;

9. it will provide such evidence of compliance with all such matters as the Company or its counsel may request and it will, if requested by the Company, deliver to the Company, as applicable, a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in paragraphs 3, 5 and 6 above to the satisfaction of the Company, as the case may be;

10. upon execution of this Schedule B by or on behalf of the Subscriber, this Schedule B shall be incorporated into and form a part of the Subscription Agreement. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached; and

11. if any representations and warranties contained in this Schedule B shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________________

SIGNED:

MARSHALL FIELDS INTERNATIONAL B.V.

____
By:

____
Address of Subscriber

SCHEDULE C

CONTACT INFORMATION FOR CANADIAN SECURITIES COMMISSIONS

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700, Confederation Building
2nd Floor, West Block, Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243
Public official contact: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594
Public official contact: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact: Director

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca
Public official contact: Superintendent of Securities

CANNTRUST EQUITY INC.

SUBSCRIPTION AGREEMENT

INSTRUCTION PAGE

☐ Complete and sign pages 2 and 3 of this Subscription Agreement.

☐ Complete the appropriate Schedule to this Subscription Agreement.

> ☐ If you are resident in Canada and subscribing under the "Accredited Investor" exemption, complete and sign Schedule B – *Accredited Investor Status Certificate* attached to this Subscription Agreement. If you are subscribing as an individual relying on subparagraph (j), (k) or (l) of the Accredited Investor Status Certificate, complete and sign Appendix I – *Risk Acknowledgement Certificate* attached to Schedule B.
>
> ☐ If you are a person who is (i) in the United States, (ii) a U.S. Person (as defined herein), (iii) subscribing for the Securities (as defined herein) for the account or benefit of a person that is in the United States or a U.S. Person, (iv) a person that received an offer to subscribe for the Securities while in the United States or (v) a person that executed this Subscription Agreement while in the United States (collectively, a "**U.S. Subscriber**"), then complete and sign Schedule C – *U.S. Subscriber's Certificate* attached to the Subscription Agreement.
>
> ☐ If you are not resident in Canada or a U.S. Subscriber (as defined herein), complete and sign Schedule D – *Foreign Subscriber's Certificate* attached to this Subscription Agreement.

Delivery of Documents:

For Subscribers (as defined herein) participating in the Offering (as defined herein), deliver a completed and executed copy of this Subscription Agreement (an e-mailed scanned copy of which shall be sufficient), including the completed schedules attached hereto (as applicable) to Victoria de Luna (vdeluna@mccarthy.ca) of McCarthy Tétrault LLP by no later than Friday, February 18, 2022.

Payment/Wire Instructions:

Payment of the Subscription Price (as defined herein) shall be in such form as directed by the Company (as defined herein).

SUBSCRIPTION AGREEMENT

TO: **CannTrust Equity Inc.** (the "**Company**")

The undersigned (the "**Subscriber**"), on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder, hereby irrevocably subscribes for and agrees to purchase the number of common shares (the "**Securities**" or the "**Shares**") of the Company set out below, at a price of $[redacted] per Share (the "**Issue Price**"), subject to the following terms and conditions.

This subscription agreement, which for certainty includes and incorporates the attached Terms and Conditions of Subscription (the "**Terms and Conditions of Subscription**") and the schedules attached hereto, are collectively referred to as the "**Subscription Agreement**". The Accredited Investor Status Certificate attached hereto as <u>Schedule B</u>, the U.S. Subscriber's Certificate attached hereto as <u>Schedule C</u> and the Foreign Subscriber's Certificate attached hereto as <u>Schedule D</u>, are each referred to in the Subscription Agreement as a "**Subscriber Certificate**" and collectively referred to in the Subscription Agreement as the "**Subscriber Certificates**".

The Subscriber, on its own behalf, and, if applicable, on behalf of each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, agrees to be bound by the Terms and Conditions of Subscription, including without limitation the representations, warranties and covenants set forth in the schedules attached thereto, and the representations, warranties and covenants set forth in the applicable Subscriber Certificate, and acknowledges and agrees, without limitation, that the Company and its counsel may rely on the Subscriber's representations, warranties and covenants contained in the Subscription Agreement. The Securities are available upon and subject to the terms and conditions set forth herein, including the terms, representations, warranties, covenants and acknowledgements herein and in the schedules attached hereto. References to "$" refer to Canadian dollars.

This subscription is irrevocable and subject to acceptance or rejection by the Company in whole or in part.

____________________ **(Name of Subscriber – please print)** By:____________________ (Authorized Signature) ____________________ (Official Capacity or Title – please print) ____________________ (Please print name of individual whose signature appears above if different than the name of the Subscriber printed above) ____________________ (Subscriber's Address) ____________________ ____________________ ____________________ (Telephone Number) ____________________ (E-mail Address)	**Number of Shares:** ____________________ **Aggregate Subscription Price:** CAD $___________ **<u>Disclosed Beneficial Purchaser Information:</u>** If the Subscriber is signing as agent for a beneficial purchaser, please complete the following (unless the Subscriber is an accredited investor by virtue of being a trust company or trust corporation acting on behalf of a fully managed account or is a person acting on behalf of a fully managed account managed by it and registered or authorized to carry on business as a securities adviser): ____________________ (Name of Beneficial Purchaser) ____________________ (Beneficial Purchaser's Address) ____________________ ____________________ (Beneficial Purchaser's Telephone Number and E-mail Address)

_______________________________ _______________________________

Register the Shares as set forth below:	**Deliver the Shares as set forth below:**
(Name)	(Name)
(Account reference, if applicable)	(Account reference, if applicable)
(Address)	(Contact Name)
	(Address)

ACCEPTANCE: The Company accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement and the Company represent and warrant to the Subscriber that the representations and warranties made by the Company herein will be true and correct in all material respects as of the Closing Date and that the Subscriber is entitled to rely thereon.

__________________, 2022

CANNTRUST EQUITY INC.

By: ______________________________

Name: ______________________________

Title: ______________________________

TERMS AND CONDITIONS OF SUBSCRIPTION

1. Terms of the Offering.

(a) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Shares subscribed for by it hereunder form part of a larger issuance and sale by the Company, including to the Subscriber as a non-brokered private placement consisting of the issuance and sale of up to [redacted] Shares at a price of $[redacted] per Share for maximum gross proceeds of $[redacted] (the "**Offering**"), exempt from any requirement to prepare, file or deliver a prospectus or similar document contained in any statute, regulation, instrument, rule or policy applicable to the sale of the Securities or upon the issue of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or filing or delivering a similar document, to qualify the distribution of such Shares to the Subscriber.

(b) The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Company in whole or in part at any time prior to the Closing Time. In the event that the Company rejects this Subscription Agreement, any subscription proceeds advanced will be promptly returned to the Subscriber without interest or deduction. Upon acceptance by the Company of this Subscription Agreement, same will constitute an agreement of the Subscriber to subscribe for and purchase from the Company, and of the Company to sell to the Subscriber, the number of Shares set out on the face page hereof.

2. Definitions. In addition to the terms previously defined and terms defined elsewhere in this Subscription Agreement, the following terms shall have the following meanings, respectively:

(a) "**associate**", "**affiliate**" and "**distribution**" and "**insider**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

(b) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto, Ontario are not open for business;

(c) "**CannTrust**" has the meaning ascribed to it in the Term Sheet;

(d) "**CannTrust Holdings**" means CannTrust Holdings Inc., a corporation existing under the laws of Ontario;

(e) "**CCAA Court**" has the meaning ascribed to it in the CCAA Plan;

(f) "**CCAA Plan**" means the fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Holdings, CannTrust Inc. and Elmcliffe Investments Inc. dated July 6, 2021.

(g) "**Closing**" means the completion of the issue and sale by the Company and the subscription by the Subscribers for [redacted] Shares for an aggregate subscription price of $[redacted] on the Closing Date, pursuant to the provisions of this Subscription Agreement;

(h) "**Closing Date**" means **[March 3]**, 2022, or such other date as soon as possible thereafter as the Company and the Subscriber mutually determine;

(i) "**Closing Time**" means 5:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Subscriber may agree;

(j) "**Company**" has the meaning ascribed to it on the second page of this Subscription Agreement;

(k) “**Cortland DIP Loan**” means the summary of terms and conditions made as of April 13, 2021, between CannTrust Holdings and Cortland Credit Lending Corporation, among others, as amended or supplemented from time to time;

(l) “**Designated Jurisdictions**” means all of the provinces of Canada, to the extent that any Subscribers are resident therein;

(m) “**International Jurisdiction**” has the meaning ascribed to it in Section 7(t) of this Subscription Agreement;

(n) “**Issue Price**” has the meaning ascribed to on page 2 of this Subscription Agreement;

(o) “**McCarthy Tétrault LLP**” means the office of McCarthy Tétrault LLP in Toronto, Ontario, including any employed representative thereof;

(p) “**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*;

(q) “**Offering**” has the meaning ascribed to it on page 2 of this Subscription Agreement;

(r) “**person**” shall be broadly interpreted and shall include an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

(s) “**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to a Securities Commission or stock exchange, whether pursuant to a form or request made by a Securities Commission or stock exchange, and includes, but is not limited to, the amount of Shares subscribed for by such person and whether the Subscriber is an “insider” of the Company or a “registrant” (each as defined under applicable Securities Laws of the Province of Ontario) or any other information contained in this Subscription Agreement (including, for greater certainty, the Subscriber Certificate incorporated by reference herein);

(t) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

(u) “**Securities**” or “**Shares**” means the common shares of the Company;

(v) “**Securities Commissions**” means, collectively, the applicable securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

(w) “**Securities Laws**” means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

(x) “**Subscriber**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(y) “**Subscriber Certificates**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(z) “**Subscription Agreement**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(aa) “**Subscription Price**” means the product of the Issue Price and the total number of Shares subscribed for under this Subscription Agreement;

(bb) “**Terms and Conditions of Subscription**” has the meaning ascribed to it on the second page of this Subscription Agreement;

(cc) "**Term Sheet**" means the indicative term sheet in respect of the Offering, a copy of which is attached hereto as Schedule A-1 to this Subscription Agreement;

(dd) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S;

(ee) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(ff) "**U.S. Subscriber**" has the meaning ascribed to it on the first page of this Subscription Agreement;

(gg) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

3. Delivery and Payment.

(a) In respect of the Offering, the Subscriber agrees that the following shall be delivered to McCarthy Tétrault LLP or as otherwise indicated, on behalf of the Company, in accordance with the directions and by the date and time set out on the face page hereof:

(i) a completed and duly signed copy of this Subscription Agreement;

(ii) one of the following:

(A) if the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is resident in Canada and subscribing for the Securities in reliance on the "accredited investor" exemption provided by Section 2.3 of NI 45-106:

(I) a duly completed and executed copy of the Accredited Investor Status Certificate in the form attached hereto as Schedule B; and

(II) if the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent is an individual and relying on subparagraph (j), (k) or (l) of the Accredited Investor Status Certificate attached hereto as Schedule B, a duly completed and executed copy of the Risk Acknowledgement Certificate in the form attached hereto as Appendix I to Schedule B; or

(B) if the Subscriber is a U.S. Subscriber, a duly completed and executed copy of the U.S. Subscriber's Certificate in the form attached hereto as Schedule C;

(C) if the Subscriber or beneficial purchaser, if any, is resident in a jurisdiction outside of Canada and is not a U.S. Subscriber, a duly completed and executed copy of the Foreign Subscriber's Certificate in the form attached hereto as Schedule D;

(iii) the Subscription Price payable by the Subscriber for the Securities in such method of payment and to such recipient bank or trust account as directed by the Company or McCarthy Tétrault LLP; and

(iv) any other documents required by the Securities Laws which the Company requests.

(b) The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that such documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Company. The Subscriber and each such beneficial purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby.

(c) Use of proceeds. The net proceeds from the Offering will be used for working capital and general corporate purposes.

4. Closing. The transactions contemplated hereby will be completed on the Closing Date at the offices of McCarthy Tétrault LLP, in Toronto, Ontario. The Company shall be entitled to rely on delivery of a scanned (PDF) or facsimile copy of the executed Subscription Agreement, and acceptance by the Company of such scanned or facsimile Subscription Agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of a Subscription Agreement is delivered to the Company at the Closing Time, the Company shall be entitled to assume that the Subscriber accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at the Closing Time and that such pages have not been altered. **Representations, Warranties and Covenants of the Company.** The Company hereby represent and warrant to, and covenant with, the Subscriber as follows as of the date hereof and as of the Closing Time and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein:the Company is a validly existing and subsisting corporation incorporated under the laws of the Province of Ontario, is in good standing and has full corporate power and authority to perform each of its obligations as herein contemplated and has requisite corporate power and capacity to carry on its business as presently conducted;

(b) this Subscription Agreement, when accepted by the Company, and all other certificates and instruments delivered in connection with the Offering will, at the Closing Time, constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

(c) the execution and delivery of, and the performance of the terms of the Subscription Agreement by the Company, including, the issue of the Securities does not and will not constitute a breach of or default under the constating documents of the Company or any law, regulation, order or ruling applicable to the Company or any agreement, contract or indenture to which the Company is a party or by which it is bound;

(d) other than as set out in the CCAA Plan or disclosed in writing to the Subscriber on or prior to the date hereof, there are no material claims, proceedings, actions or lawsuits in existence, or, to the Company's knowledge, pending or threatened, against the Company;

(e) the Company is authorized to issue an unlimited number of common shares, of which there are at the date hereof 141,487,194 common shares issued and outstanding, all of which are owned by CannTrust Holdings;

(f) CannTrust has all permits, licences and governmental authorizations necessary and required for its operations;

(g) at the Closing Time, all material third-party consents that may be necessary or useful to complete the Offering will be obtained, including consents from governmental authorities, customers or clients, lenders and lessors, without requiring any conditions or obligations on the Subscriber;

(h) at the Closing Time, CannTrust will have obtained all necessary orders and approvals required to complete the Offering;

(i) except for CannTrust’s potential sale of all or part of its investments in Cannatrek Ltd. and Grey Wolf Animal Health Inc. and any transactions or events in the ordinary course of business or with the written approval of the Subscriber, CannTrust will not, between the date of this Subscription Agreement and the Closing Date:

(i) have sold, assigned, transferred, leased or otherwise disposed of its material assets or have created any hypothec, security interest, charge or other encumbrance thereupon, nor have made any commitment to do any of the foregoing;

(ii) have modified the remuneration and other forms of benefits payable to its employees;

(iii) have incurred capital expenditures or acquired assets;

(iv) be party to any legal proceedings, except those proceedings before the CCAA Court (court file no.CV-20-0063830-00CL) or those proceedings disclosed in writing to the Subscriber on or prior to the date hereof;

(v) have cancelled or terminated, materially modified or knowingly allowed to lose any permit or governmental authorization necessary for its operations;

(vi) except pursuant to the CannTrust Equity Long-Term Incentive Plan, have issued, or agreed to issue, any shares, bonds, obligations, or other securities, or any instruments that gives its holder the right to acquire or subscribe for shares, bonds, obligations, or other securities; and

(vii) passed or adopted any resolution regarding its winding-up or dissolution, including that of any entity described in Schedule A-1 of the Term Sheet; and

(j) at the Closing Time, CannTrust will be the sole and absolute owner of and have a good and valid title to all its assets, free and clear of any encumbrance, other than as set out in the CCAA Plan or others for which the Subscriber will have expressly consented.

6. Reliance upon and Survival of Representations, Warranties and Covenants of the Company. The Company acknowledges that the Subscriber is relying on the foregoing representations, warranties and covenants in connection with the transactions contemplated herein, all of which shall survive the Closing.

7. Subscriber's Representations and Warranties. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Securities shall continue in full force and effect for the benefit of the Company following the Closing Date for a period of two years:

(a) **Authorization and Effectiveness.** If the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is an individual, he or she is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a corporation, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, is a partnership, syndicate or other form of unincorporated organization, the Subscriber, or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber and the beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, enforceable against the Subscriber and the beneficial purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's and beneficial purchaser's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber or the beneficial purchaser is a party or by which the Subscriber or beneficial purchaser is bound or any law applicable to the Subscriber or beneficial purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber or beneficial purchaser;

(b) **Residence.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, was offered the Shares in, and is a resident of, or if not an individual has its head office in, the jurisdiction referred to under the heading "Name and Address of Subscriber" and "Details of Beneficial Purchaser", respectively, set out on the face page and page 2 hereof, intends that the securities laws of that jurisdiction do and shall govern this subscription by the Subscriber of the Shares, is not aware of any reason why the laws of such jurisdiction would not govern such subscription and that such addresses were not created and are not used solely for the purpose of acquiring the Securities;

(c) **Private Placement Exemptions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has properly completed, executed and delivered to the Company the applicable Subscriber Certificate attached hereto (dated as of the date hereof) and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable Subscriber Certificate attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;

(d) **Subscriber Certificate.** The Subscriber has properly completed, executed and delivered as principal, or, if the Subscriber is contracting hereunder as trustee, agent, representative or nominee for one or more beneficial purchasers, on behalf of each such beneficial purchaser, the applicable Subscriber Certificate, and related appendix, if applicable;

(e) **Subscribing as Principal.** In the case of a Subscriber in Canada, unless paragraph (h) below applies, the Subscriber is subscribing for the Securities as principal (as defined in all applicable Securities Laws) for its own account, and not for the benefit of any other person;

(f) **No Syndication.** In the case of a Subscriber in Canada, the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" provided in Schedule B;

(g) **Investment Purposes.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, is subscribing for the Shares for investment purposes only and not with a view to resale or distribution that would or may contravene the prospectus requirements of Securities Laws;

(h) **Subscribing as Agent or Trustee.**

(i) In the case of the subscription by a Subscriber in Canada for the Securities as agent or trustee for any principal whose identity is disclosed or identified, each beneficial purchaser of the Securities for whom the Subscriber is acting, (A) is subscribing for the Securities as principal for its own account and not for the benefit of any other person; (B) was not created or used solely to subscribe for and purchase or hold securities in reliance on the "Minimum Amount Investment" exemption provided under Section 2.10 of NI 45-106 and it pre-existed the Offering and has a bona fide purpose other than investment in the Securities; and (C) either (I) where such beneficial purchaser is not an individual, is subscribing for the Securities at an aggregate acquisition cost to such beneficial purchaser of not less than $150,000, or (II) the beneficial purchaser is an "accredited investor" as defined in NI 45-106;

(ii) In the case of the subscription by a Subscriber in Canada for the Securities as agent or trustee for any principal whose identity is disclosed or identified, the Subscriber is the duly authorized trustee or agent of such disclosed beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, this Subscription Agreement and all other documentation in connection with the subscription for the Securities hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the Subscriber and the Subscriber’s actions as trustee or agent are in compliance with applicable law and the Subscriber and each beneficial purchaser acknowledges that the Company is required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of the Securities for whom it may be acting; and

(iii) In the case of the subscription by a Subscriber in Canada for the Securities on behalf of an undisclosed beneficial purchaser, the Subscriber is deemed under applicable Securities Laws to be subscribing as principal;

(i) **Illegal Use of Funds.** None of the funds being used to subscribe for the Securities are to the Subscriber’s or beneficial purchaser’s knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to subscribe for the Securities which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “**PCMLTFA**”) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the “**PATRIOT Act**”) and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, acknowledges that the Company may in the future be required by law to disclose the Subscriber's or beneficial purchaser's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA or the PATRIOT Act. To the best of its knowledge (i) none of the funds to be provided by the Subscriber or the beneficial purchaser are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Company if the Subscriber or beneficial purchaser discovers that any of such representations cease to be true, and to provide the Company with appropriate information in connection therewith;

(j) **Trade Sanctions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, is not a person or entity identified in *the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*, the *United Nations Al-Qaida and Taliban Regulations*, the *Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea*, the *Regulations Implementing the United Nations Resolution on Iran*, the *United Nations Cote d'Ivoire Regulations*, the *United Nations Democratic Republic of the Congo Regulations*, the *United Nations Liberia Regulations*, the *United Nations Sudan Regulations*, the *Special Economic Measures (Zimbabwe) Regulations* or the *Special Economic Measures (Burma) Regulations* (collectively, the “**Trade Sanctions**”). The Subscriber (and each beneficial purchaser, if any) acknowledges that the Company may in the future be required by law to disclose the name and other information of the Subscriber and the beneficial purchaser, if any, related to the acquisition of the Securities hereunder, on a confidential basis, pursuant to the Trade Sanctions;

(k) **Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, , for whom it is acting as trustee or agent, have been advised to consult their own legal advisors with respect to trading in the Securities with respect to the statutory resale restrictions imposed by the Securities Laws in the jurisdiction in which the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, to resell such securities, that the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible to find out what these restrictions are and the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or any beneficial purchaser for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws. The physical certificate (or other instruments) evidencing the Securities shall bear legends denoting such restrictions substantially in the following form:

"*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) [the Closing Date], and (ii) the date the issuer became a reporting issuer in any province or territory*."

(l) **Compliance with Resale Restrictions.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, fully understands the restrictions on resale on the Securities and will not resell the Securities except in accordance with the provisions of applicable Securities Laws;

(m) **Company or Unincorporated Organization.** If the Subscriber, and each beneficial purchaser, if any, for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber or such beneficial purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption from applicable Securities Laws or exemption from the registration requirements of the U.S. Securities Act;

(n) **Absence of Offering Memorandum or Similar Document.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company (other than this Subscription Agreement and the Term Sheet), nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Securities being offered under the Offering;

(o) **Absence of Advertising.** The offering and sale of the Shares to the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, was not made or solicited through, and the Subscriber and each such beneficial purchaser is not aware of, any general solicitation or general advertising with respect to this Offering, or any directed selling efforts within the meaning of Regulation S, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(p) **Investment Suitability.** The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Securities and is able to bear the economic risk of and can afford the total loss of such investment;

(q) **Other Documents.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will execute and deliver any other documents required by applicable Securities Laws to permit the subscription for and purchase of the Shares on the terms herein set forth which the Company requests, acting reasonably;

(r) **Personal Information.** The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, acknowledges that this Subscription Agreement requires the Subscriber to provide certain Personal Information to the Company and its advisors as reasonably necessary in connection with the Offering. Such information is being collected and will be used by the Company for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to subscribe for and purchase the Shares under applicable Securities Laws, the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, and completing filings required by the Securities Commissions and under the U.S. Securities Act and applicable securities laws of any International Jurisdiction, as applicable, . The Subscriber agrees that the Subscriber's Personal Information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities; (ii) any government agency, board or other entity; and (iii) any of the other parties involved in the Offering, including the Company and its legal counsel, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's Personal Information;

(s) **Compliance with United States Securities Laws.** The Subscriber acknowledges and agrees that:

(i) If the Subscriber is a U.S. Subscriber, then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(A) the Subscriber is aware that the Securities, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Securities may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and it acknowledges that the Company has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

(B) unless the Subscriber has executed and delivered Schedule C hereto (in which case it makes the representations and warranties set forth therein), the Subscriber or any person for whom it is acting is not in the United States or a U.S. Person and is not acquiring the Securities for the account or benefit of a U.S. Person or a person in the United States or for resale in the United States and confirms that the Securities have not been offered to the Subscriber in the United States and that this Subscription Agreement has not been signed in the United States;

(C) neither the Subscriber nor any person for whom it is acting will offer, sell or otherwise dispose of the Securities in the United States unless the Company has consented to such offer, sale or distribution and such offer, sale or disposition is made in accordance with an exemption from the registration requirements of the U.S. Securities Act and the securities laws of all applicable states of the United States or the Company has filed, and the U.S. Securities and Exchange Commission has declared effective, a registration statement in respect of such securities; and

(D) the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as Schedule C and agrees to the terms set forth therein.

(ii) Unless the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person and the Subscriber has completed and delivered U.S. Subscriber’s Certificate appended hereto as Schedule C (in which case the Subscriber makes the representations, warranties and covenants therein), the Subscriber acknowledges and agrees that:

(A) the Shares have not been offered to the Subscriber while the Subscriber was in the United States, and the individuals making the order to purchase the Shares and executing and delivering this Subscription Agreement for the account or benefit of the Subscriber were not in the United States when the order was placed or when this Subscription Agreement was executed and delivered;

(B) the Subscriber is not in the United States or a U.S. Person and is not purchasing the Shares for the account or benefit of a person in the United States or a U.S. Person, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States;

(C) the Subscriber is not purchasing the Shares as the result of any "directed selling efforts" (as defined in Rule 902(c) of Regulation S and, including any press releases made by the Company relating to the Offering or any report, notification or summary of the same) made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing;

(D) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act or any applicable state securities laws; and

(E) the Subscriber undertakes and agrees that it will not offer or sell the Securities in the United States unless such Securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Securities, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules.

(t) **International Subscribers.** If the Subscriber, or beneficial purchaser, if any, for whom it is acting as trustee or agent, is a resident of a country other than Canada and is not a U.S. Subscriber (an "**International Jurisdiction**"), then in addition to the other representations and warranties contained herein, the Subscriber represents and warrants that:

(i) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this Subscription Agreement, if any;

(ii) the Subscriber is subscribing for the Shares pursuant to exemptions from the prospectus, financial promotion and registration requirements under the applicable securities laws of that International Jurisdiction or, if such is not applicable, the Subscriber is permitted to purchase the Shares under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption;

(iii) the applicable securities laws of the International Jurisdiction do not require the Company to file a prospectus, offering memorandum or similar document or to register or qualify the distribution of the Securities or for the Company to be registered with or to make any filings or seek any approvals of any kind whatsoever from any governmental or regulatory authority of any kind whatsoever in the International Jurisdiction;

(iv) the delivery of this Subscription Agreement, the acceptance of it by the Company and the issuance of the Securities to the Subscriber complies with all applicable laws of the Subscriber's jurisdiction of residence or domicile and all other applicable laws and will not cause the Company to become subject to or comply with any continuous disclosure, prospectus or other periodic filing or reporting requirements under any such applicable laws; and

(v) the Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, has duly completed and delivered to the Company the Subscriber Certificate appended hereto as Schedule D and represents and warrants set forth therein shall be accurate as of the date hereof and as of the Closing Time.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom it is acting as trustee or agent, acknowledges and agrees that the foregoing representations and warranties, and the acknowledgments made in Section 8 hereof, are made by it with the intention that they may be relied upon by the Company and its counsel in determining the Subscriber's eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to subscribe for the Shares under the Securities Laws and other applicable securities laws. The Subscriber and each beneficial purchaser further agrees that by accepting delivery of the Securities on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time. The Subscriber and the beneficial purchaser undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Subscriber or beneficial purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

8. Subscriber's Acknowledgements. The Subscriber, and any beneficial purchaser(s) for whom the Subscriber is acting, acknowledges and agrees that: (i) no agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed or passed on, made any finding or determination as to the merit for investment in the Company, nor have any such agencies, securities commissions or governmental authorities made any recommendation or endorsement with respect to the Securities or the Offering; (ii) there is no government or other insurance covering the Securities; and (iii) there are risks associated with the subscription for and purchase of the Shares;

(b) the subscription for the Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(c) in the case of any Subscriber or beneficial purchaser in Canada, no prospectus or other offering document has been filed by the Company with a securities commission or other securities regulatory authority in any province of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Securities and such issuance is exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its subscription for the Securities hereunder, as applicable:

(i) the Company has advised the Subscriber that the Company is relying on an exemption from the requirements to provide the Subscriber with a prospectus and that the Subscriber and each beneficial purchaser, if any, is restricted from using most of the protections, rights and remedies available under Securities Laws including, without limitation, statutory rights of rescission or damages;

(ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement (such as the Securities issued under the Offering);

(iii) the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, will not receive information that may otherwise be required to be provided to the Subscriber and each beneficial purchaser, if any, under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws; and

(iv) the Company is relieved from certain obligations that would otherwise apply under such applicable Securities Laws;

(d) there is no market for the Securities and there is no assurance that a market will develop in the future and that no representation has been made to the Subscriber by or on behalf of the Company with respect thereto;

(e) the Shares are being offered for sale only on a "private placement" basis;

(f) the Subscriber has received a copy of the Term Sheet attached hereto as Schedule A-1, setting out the principal terms of the Offering;

(g) all costs and expenses incurred by the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, (including any fees and disbursements of legal counsel retained by the Subscriber or any beneficial purchaser) relating to the subscription for and purchase of the Shares shall be borne solely by the Subscriber or the beneficial purchaser;

(h) in subscribing for the Shares, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has relied solely upon this Subscription Agreement, the Term Sheet and publicly available information relating to the Company and not upon any other document or verbal or written representation as to any fact or otherwise made by or on behalf of the Company or any employee, agent or affiliate thereof or any other person associated therewith. The Company's counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Subscriber's or the beneficial purchaser's, if any, investment decision has been made. The Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting, is not relying upon anyone to conduct any due diligence investigation on behalf of the Subscriber concerning the Offering, the Securities, the Company's business, management, financial position, condition or prospects;

(i) no person has made any written or oral representations: (i) that any person will resell or repurchase the Shares following subscription of the Shares; (ii) that any person will refund the Subscription Price; or (iii) as to the future price or value of the Securities;

(j) the original Subscriber may not engage in any hedging transactions involving the Securities or resell or otherwise transfer the Securities to U.S. Persons or to persons in the United States or to or for the account or benefit of U.S. Persons or persons in the United States, except in compliance with the U.S. Securities Act and applicable state securities legislation;

(k) the Subscriber is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the offer and sale of the Shares and the issuance of the Securities, the execution, delivery and performance by it of this Subscription Agreement, applicable tax considerations and the applicable hold periods and resale restrictions imposed in respect of the Securities by applicable securities legislation and regulatory policies, and confirms that it (and any disclosed principal, if applicable) is not relying on the Company or its counsel to any of them in this regard. The Subscriber is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;

(l) there may be material tax consequences to the Subscriber of an acquisition or disposition, as applicable, of the Shares and the Company gives no opinion and makes no representation with respect to the tax consequences to the Subscriber of an acquisition, disposition or exercise, as applicable, of the Shares or the Securities, it being understood that it is the sole responsibility of the Subscriber to determine the tax consequences applicable to its particular circumstances;

(m) the Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current securityholders of the Company, including the Subscriber, and there is no assurance that such financing will be available, on reasonable terms or at all, and if not available, the Company may be unable to fund its ongoing development;

(n) McCarthy Tétrault LLP is acting solely as counsel to the Company and not as counsel to the Subscriber;

(o) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to review this Subscription Agreement and the schedules attached hereto and the transactions contemplated by this Subscription Agreement and fully understands the same; and

(p) the Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities.

9. Further Acknowledgements of the Subscriber. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual), acknowledges that this Subscription Agreement and the Schedules hereto require the Subscriber to provide certain Personal Information to the Company and its respective counsel. Such information is being collected by the Company and its counsel for the purposes of completing the Offering described herein, which includes, without limitation, determining the Subscriber's eligibility to purchase the Shares under applicable securities legislation, preparing and registering certificates (or other instruments) representing the Shares to be issued to the Subscriber and completing filings required by any stock exchange, securities commission or securities regulatory authority, taxation authorities or other regulatory bodies. Certain securities commissions have been granted the authority to indirectly collect this Personal Information pursuant to securities legislation and this Personal Information is also being collected for the purpose of administration and enforcement of securities legislation. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) agrees that the Subscriber's Personal Information may be disclosed by the Company or its legal counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Company's registrar and transfer agent, if applicable; (c) taxation authorities; (d) regulatory bodies; and (e) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering and the Company's corporate records. By executing this Subscription Agreement, the Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) is deemed, where applicable, to be authorizing and consenting to the foregoing collection (including the indirect collection of Personal Information), use and disclosure of the Subscriber's Personal Information as set forth above. The Subscriber (on its own behalf, if the Subscriber is an individual, and for and on behalf of each individual that is a shareholder or other equityholder, directly or indirectly, of such Subscriber if such Subscriber is not an individual) also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission, securities regulatory authority or any other regulatory body in connection with the transactions contemplated hereby. In the event the Subscriber has any questions with respect to the indirect collection of such information, the Subscriber should contact the applicable securities regulatory authority at the contact details provided in Schedule E to this Subscription Agreements.**Subscriber's Covenants**. If the Company has reason to believe the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent does not qualify as an "accredited investor" under applicable Securities Laws, the Subscriber and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent covenants and agrees to provide information as reasonably requested by the Company to verify that the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent qualifies as an accredited investor, which information may include, without limitation, financial records of the Subscriber or beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent.

11. Conditions of Closing. The respective obligations of the Company and the Subscriber to consummate the transactions contemplated hereunder in respect of the Closing are subject to the satisfaction or written waiver by such party, in whole or in part (to the extent such conditions can be waived), in their respective sole discretion, of the following conditions:

(a) the concurrent closing of the subscription by Marshall Fields International B.V. for Securities with an aggregate subscription price of $[redacted], which forms part of the Offering; and

(b) the execution by the Subscriber of a unanimous shareholders' agreement substantially on the terms set forth in Schedule A-2, setting out the rights and obligations of the shareholders of the Company.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that (i) the sale of the Shares will not be qualified by a prospectus; (ii) the Securities have not been and will not be registered under the U.S. Securities Act, or applicable state securities laws; (iii) any such sale is subject to the condition that the Subscriber (or, if applicable, any others for whom the Subscriber is contracting hereunder) signs and returns McCarthy Tétrault LLP this Subscription Agreement, including any applicable schedules attached hereto; and (iv) McCarthy Tétrault LLP is acting solely as legal counsel to the Company in connection with the Offering and accepts no duty, responsibility or obligation to any other person.

The Subscriber on its own behalf, and, if applicable, on behalf of each beneficial purchaser, for whom the Subscriber is acting as trustee or agent, acknowledges and agrees that the Company may be required to provide to the Securities Commissions a list setting out the identities of the beneficial purchasers of the Securities. Notwithstanding that the Subscriber may be subscribing for the Securities as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws or other applicable securities laws), the Subscriber agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the Securities Laws and any other applicable laws.

12. **Modification**. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.**Assignment**. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Company and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable Securities Laws) and with the express written consent of the Company.**Governing Law**. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, and each beneficial purchaser, if any, for whom the Subscriber is acting as trustee or agent, hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in the City of Toronto with respect to any matters arising out of this Subscription Agreement.**Entire Agreement**. This Subscription Agreement (including the schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.**Time of Essence**. Time shall be of the essence of this Subscription Agreement.**Currency.** All dollar amounts referred to in this Subscription Agreement are in Canadian dollars, unless otherwise indicated.**Further Assurances**. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.**Singular and Plural, etc**. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine, and neuter genders.**Headings**. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

[*Remainder of page intentionally left blank*.]

SCHEDULE A-1

TERM SHEET

(See attached.)

SCHEDULE A-2

CANNTRUST EQUITY INC.

UNANIMOUS SHAREHOLDERS' AGREEMENT – SUMMARY OF PRINCIPAL TERMS

1.	**Parties:**	CannTrust Equity and shareholders thereof (the "**Shareholders**")
2.	**Purpose of Agreement:**	A unanimous shareholders' agreement (the "**Shareholders' Agreement**") that sets out the rights and obligations of the Shareholders with respect to their Shares in the Company.
3.	**Share Exchange Option:**	Marshall Fields Holding B.V. ("**Marshall**") shall have the right, at its election (the "**Share Exchange Option**"), for a period of [18] months following the Closing Date ("**Share Exchange Option Period**"), to cause the exchange of its Shares for common shares of CannTrust Holdings (the "**Holdings Shares**"), on a one-for-one basis (the "**Share Exchange**").
4.	**Drag-Along Right:**	In the event that Marshall elects to exercise the Share Exchange Option, the remaining Shareholders (other than CannTrust Holdings) shall be required to exchange their Shares for Holdings Shares on the same terms
5.	**Conditions to Share Exchange Option:**	The exercise of the Share Exchange Option shall be conditional upon, among other things: • the revocation of the "failure to file" cease trade order dated April 13, 2020 made by the Ontario Securities Commission issued against CannTrust Holdings (the "**CTO**"); • the offer, issue, sale and delivery of the Holdings Shares, as applicable, being exempt from the requirements to file a prospectus, registration statement, or deliver an offering memorandum or any similar document under applicable Securities Laws and other applicable securities laws relating to the sale of the Securities, or the CannTrust Holdings having received such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or any similar document; and • no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of any of the Share Exchange Option shall be in effect, and no law shall have been enacted or shall be deemed applicable to the Share Exchange Option which makes the consummation of the Share Exchange Option illegal.
6.	**Adjustments to Share Exchange Option:**	In the event that, prior to the exercise of the Share Exchange Option, CannTrust Holdings issues additional Holdings Shares, or securities convertible into Holdings Shares (collectively, "**Additional Securities**"), the Share Exchange Option ratio shall be adjusted accordingly such that, upon the exercise of the Share Exchange Option, Marshall shall own [90]%

		of all issued and outstanding Holdings Shares, taking into account the Additional Securities.
7.	**Share Exchange Option Not Exercised:**	In the event that the Share Exchange Option is not exercised during the Share Exchange Option Period, CannTrust Equity shall reimburse CannTrust Holdings for its reasonable costs and expenses related to its liquidation or winding up.
8.	**Rights Issue:**	In the event that the Share Exchange Option is exercised by Marshall, CannTrust Holdings will use its best efforts to initiate a rights offering within [150] days of the effective date of the Share Exchange in accordance with Part 2 of National Instrument 45-106 – *Prospectus Exemptions*, whereby shareholders of record of CannTrust Holdings prior to the Share Exchange (the "**Legacy Shareholders**") shall be offered rights to purchase Holdings Shares for a period of not less than 21 days and not more than 90 days from the date the rights offering notice is sent to the Legacy Shareholders, at a discounted subscription price to be determined by the board of directors of CannTrust Holdings and on such other terms to be agreed by Holdings and Marshall.
9.	**Other Provisions:**	The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, including pre-emptive rights, transfer restrictions and drag-along, among others. CannTrust Equity shall use its commercially reasonable efforts to have Marshall's director nominees named in the management slate of directors to be elected by the shareholders of CannTrust Holdings. The Shareholders' Agreement shall include other customary provisions as may be agreed by the Subscriber and CannTrust Holdings, acting reasonably, regarding certain protective rights to be granted to the Subscriber, which shall include, but not be limited to, fundamental decisions with respect to CannTrust, such as, for example, any amendment to the articles of CannTrust or the entering into any material agreements.
10.	**Governing Law:**	The Shareholders' Agreement shall be governed pursuant to the laws of Ontario.

SCHEDULE B

ACCREDITED INVESTOR STATUS CERTIFICATE

Capitalized terms not specifically defined in this Schedule B have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached.

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

In connection with the subscription by the undersigned Subscriber for the Securities, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting (collectively, the "**Subscriber**"), hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

(a) the Subscriber is resident in or otherwise subject to the securities laws of one of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, Nova Scotia, New Brunswick or Prince Edward Island;

(b) the Subscriber is subscribing for the Securities as principal for its own account and not for the benefit of any other person or is deemed to be subscribing as principal pursuant to NI 45-106;

(c) the Subscriber is an "accredited investor" within the meaning of NI 45-106 on the basis that the undersigned fits within one of the categories of an "accredited investor" reproduced below beside which the undersigned has indicated the undersigned belongs to such category;

(d) the Subscriber was not created or is not used solely to subscribe for and purchase or hold securities as an accredited investor as described in paragraph (m) below;

(e) if the Subscriber is an individual and does not meet the criteria set out in subparagraph (j.1) of this Schedule B, it has duly completed and executed a copy of the Risk Acknowledgement Certificate in the form attached hereto as Appendix I to this Schedule B;

(f) upon execution of this Schedule B by the Subscriber, this Schedule B "shall be incorporated into and form a part of the Subscription Agreement.

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

(a.1) in Ontario, a financial institution that is (i) a bank listed in Schedule I, II or III of the *Bank Act* (Canada); (ii) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) a subsidiary of any person referred to in paragraphs (a), (a.1) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, (except in Ontario as otherwise prescribed by the regulations under the *Securities Act* (Ontario);

☐ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdictio of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000 **(note: check only if you do not qualify under option (j.1) immediately below)**;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $5,000,000 **(note: if individual accredited investors wish to subscribe and purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialled)**;

☐ (k) an individual whose net income before taxes exceeded $200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000;
[PLEASE ALSO COMPLETE SECTIONS 2-4 OF APPENDIX I]

☐ (m) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] or 2.19 [*Additional investment in investment funds*] of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

(a) "**Canadian financial institution**" means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) "**company**" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

(c) "**control person**" means

(i) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

(ii) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

(d) "**director**" means

(i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

(e) "**eligibility adviser**" means

(i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and

(ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:

(A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and

(B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

(f) "**entity**" means a company, syndicate, partnership, trust or unincorporated organization;

(g) "**executive officer**" means, for an issuer, an individual who is

(i) a chair, vice-chair or president,

(ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

(iii) performing a policy-making function in respect of the issuer;

(h) "**financial assets**" means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(i) "**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;

(j) "**founder**" means, in respect of an issuer, a person who, (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

(k) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(l) "**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments;

(m) "**jurisdiction**" or "jurisdiction of Canada" means a province or territory of Canada except when used in the term foreign jurisdiction;

(n) "**non-redeemable investment fund**" means an issuer:

(i) whose primary purpose is to invest money provided by its securityholders;

(ii) that does not invest

(A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or

(B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

(iii) that is not a mutual fund;

(o) "**person**" includes

(i) an individual;

(ii) a corporation;

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

(p) "**related liabilities**" means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets;

(q) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(r) "**spouse**" means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(s) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a person or company is an affiliate of another person or company if one is a subsidiary of the other, or if each of them is controlled by the same person or company.

In NI 45-106 and except in Part 2 Division 4 of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person beneficially owns or, directly or indirectly, exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be subscribing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be subscribing as principal.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________	SIGNED: ______________________
______________________ Witness (if Subscriber is an individual)	______________________
______________________ Print the name of witness	______________________ Print the name of Subscriber
	______________________ If Subscriber is not an individual, print name and title of authorized signing officer

APPENDIX I TO SCHEDULE B

RISK ACKNOWLEDGEMENT CERTIFICATE

WARNING! **This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Shares	**Issuer:** CannTrust Equity Inc.
Securities to be purchased from: Issuer	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE SUBSCRIBER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your Initials**
Risk of loss – You could lose your entire investment of $__________________. [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	

• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print)**:**	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

[Instruction: The salesperson is the person who meets with, or provides information to, the Subscriber with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]

First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

CannTrust Equity Inc.
3280 Langstaff Road
Unit 1
Vaughan, ON

Contact person: Greg Guyatt, CEO
Email: GGuyatt@canntrust.ca

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

SCHEDULE C

U.S. SUBSCRIBER'S CERTIFICATE

TO: **CannTrust Equity Inc.** (the "**Company**")

Reference is made to the subscription agreement between the Company and the undersigned (referred to herein as the "**Subscriber**") dated as of the date hereof to which this <u>Schedule C</u> is attached (the "**Subscription Agreement**"). Upon execution of this Subscriber Certificate by the Subscriber, this Subscriber Certificate will be incorporated into and form a part of the Subscription Agreement. *Capitalized terms not specifically defined in this <u>Schedule C</u> have the meanings ascribed to them in the Subscription Agreement to which this <u>Schedule C</u> is attached.*

In connection with the subscription for the Securities by the Subscriber, the Subscriber represents, warrants and covenants and certifies to the Company and acknowledges that the Company is relying thereon that:

(a) the Subscriber is subscribing for the Securities for its own account (or for the account or one or more beneficial purchasers over which the Subscriber has sole investment discretion) and the Subscriber (and any beneficial purchaser) is subscribing for the Securities for investment purposes only and not with a view to resale or distribution or for the account or benefit of anyone other than the Subscriber (or such beneficial purchaser). The Subscriber has no intention to distribute either directly or indirectly any of the Securities in the United States; provided, however, that this paragraph shall not restrict the Subscriber from selling or otherwise disposing of any of the Securities pursuant to registration thereof pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(b) the Subscriber understands and acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and that the offer and sale of Securities to it are being made in reliance upon the exemption from registration provided by Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws;

(c) the Subscriber (and any beneficial purchaser) is an "accredited investor", within the meaning of Rule 501(a) of Regulation D (a "**U.S. Accredited Investor**"), and satisfies the category of U.S. Accredited Investor set forth below:

(PLEASE CHECK THE BOX FOR THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR AND EXECUTE THIS CERTIFICATE ON THE LAST PAGE HEREOF. PLEASE INITIAL "P" BESIDE THE CATEGORY FOR THE SUBSCRIBER AND "BP" BESIDE THE CATEGORY FOR THE BENEFICIAL PURCHASER.)

_____Category 1. A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____Category 2. A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____Category 3. A broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended; or

_____Category 4. An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____Category 5. An investment company registered under the United States Investment Company Act of 1940, as amended; or

_____Category 6. A business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940, as amended; or

_____Category 7. A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958, as amended; or

_____Category 8. A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of U.S. $5,000,000; or

_____Category 9. An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self directed plan, with investment decisions made solely by persons who are U.S. Accredited Investors; or

_____Category 10. A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended; or

_____Category 11. An organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1976, as amended, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Securities, with total assets in excess of U.S. $5,000,000; or

_____Category 12. A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the Securities, whose subscription is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act;

_____Category 13. Any director or executive officer of the Company; or

_____Category 14. Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds U.S. $1,000,000 (for purposes of calculating net worth: (i) a person's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of the Securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of the Securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability) and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of sale of the Securities shall be included as a liability); or

_____Category 15. A natural person who had an individual income in excess of U.S. $200,000 in each of the two most recent years or joint income with that person's spouse in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

_____Category 16. An entity in which all of the equity owners are U.S. Accredited Investors;

(d) the Subscriber acknowledges that it has not subscribed for the Securities as a result of any form of "general solicitation" or "general advertising" within the meaning of Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio, television, or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) the Subscriber understands and agrees that the Securities will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and that if it decides to offer, sell, pledge or otherwise transfer the Securities, it may not offer, sell, pledge or otherwise transfer any of such Securities, directly or indirectly, unless the transfer is made:

(i) to the Company;

(ii) outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S and in compliance with applicable local laws and regulations;

(iii) in compliance with (A) Rule 144A under the U.S. Securities Act, if available, or (B) Rule 144 under the U.S. Securities Act, if available, and, in each case, in compliance with applicable state securities laws; or

(iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; and

the Subscriber has prior to any transfer pursuant to clauses (iii)(B) or (iv) (and, if required by the Company or any transfer agent for the Securities, clause (ii)) above furnished to the Company (and the transfer agent, if applicable) an opinion of counsel of recognized standing, or other evidence, reasonably satisfactory to the Company to the effect that such transfer does not require registration under the U.S. Securities Act or applicable state securities laws;

(f) the Subscriber and each beneficial purchaser for whom it is acting acknowledge and agree that upon the original issuance thereof, and until such time as the same is not required under applicable requirements of the U.S. Securities Act and applicable state securities laws, the certificates representing the Securities, and all certificates issued in exchange therefor or in substitution thereof, will bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY SUBSCRIBING FOR THESE SECURITIES, AGREES FOR THE BENEFIT OF CANNTRUST EQUITY INC. (THE "**COMPANY**") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if Securities are being sold under clause (B) above, the legend set forth above may be removed by providing a declaration to the Company and any transfer agent for the Securities, in the form attached as Appendix I to this Schedule C (or in such form as the Company may from time to time prescribe), together with any other evidence reasonably satisfactory to the Company that may be required by the Company or any transfer agent for the Securities, which evidence may include, without limitation, an opinion of counsel of recognized standing, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act;

notwithstanding the foregoing, the Company's transfer agent, if any, may impose additional requirements for the removal of legends from Securities sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act in the future; and

provided, further, that if any such Securities are being sold pursuant to Rule 144 under the U.S. Securities Act, or in a transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the above legend may be removed by delivery to the Company or any duly appointed transfer agent for the Securities of an opinion of counsel, of recognized standing, reasonably satisfactory to the Company, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(g) the Subscriber (and any beneficial purchaser) consents to the Company making a notation on its records or giving instruction to the registrar and transfer agent of the Company in order to implement the restrictions on transfer with respect to the Securities set forth and described herein;

(h) the Subscriber (and any beneficial purchaser) understands and acknowledges that the Company has no obligation or present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Securities in the United States;

(i) the Subscriber (and any beneficial purchaser) has had the opportunity to ask questions of and receive answers from the Company regarding the investment, and has received all the information regarding the Company that it has requested;

(j) the Subscriber (and any beneficial purchaser) has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities;

(k) the office or other address of the Subscriber at which the Subscriber received and accepted the offer to subscribe for the Securities is the address listed as the "Subscriber's Address" on the signature page of the Subscription Agreement;

(l) the Subscriber understands and acknowledges that if the Company were to ever be deemed to be, or to have at any time previously been, an issuer with (i) no or nominal operations and (ii) no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may be unavailable with respect to resales of the Securities, and the Company is under no obligation to take, and has no present intention of taking, any required action in order to make Rule 144 under the U.S. Securities Act available with respect to resales of the Securities;

(m) the Subscriber (and any beneficial purchaser) is aware that (i) subscribing for, purchasing, holding and disposing of the Securities may have tax consequences under the laws of both Canada and the United States, (ii) the tax consequences for prospective investors who are resident in, or citizens of, the United States are not described in this Subscription Agreement, and (iii) it is solely responsible for determining the tax consequences applicable to its particular circumstances and should consult its own tax advisors concerning investment in such securities; in particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended;

(n) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Company is organized under the laws of Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Company and such persons may be located outside the United States;

(o) the Subscriber understands that the Company (i) is under no obligation to remain a "foreign issuer" (as defined in Regulation S), and (ii) may engage in one or more transactions which could cause the Company not to be a "foreign issuer";

(p) the Subscriber (and any disclosed principal, if applicable) understands and agrees that the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing standards and auditor independence standards, which differ in some respects from United States generally accepted accounting principles, auditing standards and auditor independence standards, respectively, and thus may not be comparable to financial statements of United States companies; and

(q) it acknowledges that the representations, warranties and covenants contained in this Schedule C are made by it with the intent that they may be relied upon by the Company in determining its eligibility to subscribe for and purchase the Securities and that the provisions herein will be will be true and correct as of the date of execution of this Subscription Agreement and as of the Closing Date and will survive after the date of execution of this Subscription Agreement.

[signature page follows]

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

Dated: ______________________________	Signed: _______________________________
Witness (If Subscriber is an Individual)	Print Name of Subscriber
Print Name of Witness	If Subscriber is not an Individual, Print Name and Title of Authorized Signing Officer

APPENDIX I TO SCHEDULE C
DECLARATION FOR REMOVAL OF LEGEND

TO: **CannTrust Equity Inc.**
AND TO: **The registrar and transfer agent for the securities of CannTrust Equity Inc.**

The undersigned (a) acknowledges that the current sale of ____________ of CannTrust Equity Inc. (the "**Company**") to which this declaration relates, represented by certificate number ________, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (b) certifies that (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Company, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange (or another designated offshore securities market) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise defined herein, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: ___________________________ ____________________________________
Name of Seller

By:_________________________________
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (b)(2)(B) above)

We have read the foregoing representations of our customer, ____________________ (the "**Seller**") dated _____________________, with regard to our sale, for such Seller's account, of the securities of the Company described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of a "designated offshore securities market", (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

____
Name of Firm

By: X ____
Authorized officer

Date:__________________

SCHEDULE D

FOREIGN SUBSCRIBER'S CERTIFICATE
(Residents of Jurisdictions other than Canada and Non-U.S. Subscribers)

TO: **CannTrust Equity Inc.** (the "**Company**")

Capitalized terms not specifically defined in this *__Schedule B__* *have the meanings ascribed to them in the Subscription Agreement to which this* *__Schedule B__* *is attached.*

In connection with the subscription by the undersigned Subscriber for the Shares, the Subscriber, on its own behalf and on behalf of each of the beneficial purchasers for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

1. it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement (the "**International Jurisdiction**") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada;

2. it is knowledgeable of, or has been independently advised as to, the applicable securities laws of the securities regulatory authorities ("**Authorities**") having application in its International Jurisdiction that would apply to this subscription, if there are any;

3. it is subscribing for the Shares pursuant to exemptions from any substantive or procedural requirements (including without limitation exemptions from prospectus or registration requirements or equivalent requirements) under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Subscriber is permitted to subscribe for the Securities under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;

4. The purchase of Shares by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber;

5. by committing to subscribe for the Shares, it has obtained all necessary consents and authorizations to enable it to agree to subscribe for the Shares and to perform its obligations under this Subscription Agreement and it has otherwise observed the laws and regulatory requirements of the International Jurisdiction, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in such International Jurisdiction in connection with its acceptance and it has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory or jurisdiction in connection with the Offering;

6. the applicable laws of the Authorities in the International Jurisdiction do not require the Company to make any filings or seek any approvals or exemptions of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the sale of the Shares;

7. 4. The Shares are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Shares;

8. the subscription for the Shares by the Subscriber does not trigger: (a) any obligation to prepare and file a prospectus, an offering memorandum or similar document, (b) any other report with respect to such subscription in the International Jurisdiction, (c) any continuous disclosure reporting obligation of the Company in the International Jurisdiction or (d) any registration or other obligation on the part of the Company under the applicable securities laws in the International Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject;

9. it will provide such evidence of compliance with all such matters as the Company or its counsel may request and it will, if requested by the Company, deliver to the Company, as applicable, a certificate or opinion of local

counsel from the International Jurisdiction which will confirm the matters referred to in paragraphs 3, 5 and 6 above to the satisfaction of the Company, as the case may be;

10. upon execution of this Schedule B by or on behalf of the Subscriber, this Schedule B shall be incorporated into and form a part of the Subscription Agreement. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Subscription Agreement to which this Schedule B is attached; and

11. if any representations and warranties contained in this Schedule B shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Time.

DATED: ______________________

SIGNED:

____
Witness (if Subscriber is an individual)

____
Print the name of witness

____
Print the name of Subscriber

____
If Subscriber is not an individual,
print name and title of authorized signing officer

____
Address of Subscriber

____

SCHEDULE E

CONTACT INFORMATION FOR CANADIAN SECURITIES COMMISSIONS

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700, Confederation Building
2nd Floor, West Block, Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243
Public official contact: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594
Public official contact: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact: Director

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca
Public official contact: Superintendent of Securities

TAB D

This is **Exhibit "D"** referred to in the Affidavit of **Greg Guyatt**, sworn before me, this 18th day of February, 2022

N Rambaran

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A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

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

TAB E

This is **Exhibit "E"** referred to in the
Affidavit of **Greg Guyatt**, sworn before me,
this 18th day of February, 2022

N Rambaran

____

A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

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.

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

TAB F

This is **Exhibit "F"** referred to in the
Affidavit of **Greg Guyatt**, sworn before me,
this 18th day of February, 2022

____

A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 16th
	)	
MR. JUSTICE HAINEY	)	DAY OF SEPTEMBER, 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

ORDER
(re: AGM Deadline Extension)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, among other things:

(i) extending the time for CannTrust Holdings Inc. to call an annual general meeting of its shareholders to a date no later than 120 days after the expiry or termination of the Stay Period (as defined in the initial order dated March 31, 2020, as amended); and

(ii) validating service of the notice of motion and motion materials in the manner described in the affidavit of Greg Guyatt sworn September 9, 2020 and the Exhibits thereto (the "**Guyatt Affidavit**");

was heard this day by way of Zoom judicial video conference due to the COVID-19 crisis.

ON READING the Guyatt Affidavit and the Fourth Report of Ernst & Young Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), to be filed (the "**Fourth Report**"), and on hearing the submissions of counsel for the Applicants and the Monitor and on being advised that all parties on the service list maintained in these proceedings were served with the motion record of the Applicants and the Fourth Report:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of this motion and related materials 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 the service of the notice of motion and motion materials in the manner described at paragraph 49 of the Guyatt Affidavit is validated and that the time for service is abridged, such that this motion is properly returnable today.

EXTENSION OF AGM DEADLINE

3. **THIS COURT ORDERS** that the time for CannTrust Holdings Inc. to call an annual general meeting of its shareholders, as prescribed by the *Business Corporations Act* (Ontario), is extended until a date no later than 120 days after the expiry or termination of the Stay Period.

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, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(AGM DEADLINE EXTENSION)

McCarthy Tétrault LLP
Suite 5300, TD 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

TAB G

This is **Exhibit "G"** referred to in the
Affidavit of **Greg Guyatt**, sworn before me,
this 18th day of February, 2022

N Rambaran

A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

Execution Version

SUMMARY OF TERMS AND CONDITIONS

$5,500,000 SECOND RANKING DIP TERM SHEET

CREDIT FACILITY FOR CANNTRUST HOLDINGS INC., CANNTRUST EQUITY INC., CANNTRUST INC. AND ELMCLIFFE INVESTMENTS INC., PROVIDED BY MARSHALL FIELDS INTERNATIONAL B.V. AND THE LENDERS HERETO

FEBRUARY 18, 2022

The Agent and each of the Lenders (as such capitalized terms are defined below), hereby commits to provide the entire amount of the Credit Facility to the Borrowers upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in **Schedule A**. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

Agent:	Marshall Fields International B.V., in its capacity as administrative agent for the Lenders (in such capacity, the "**Agent**").
Lender(s):	"**Lenders**" means, collectively, (a) Marshall Fields International B.V. or any designated affiliate or subsidiary ("**Marshall**"); (b) Andrew Peppin, an individual residing in Mississauga, Ontario ("**Peppin**"); and (c) Dan Koehn, an individual residing in San Francisco, California ("**Koehn**"). Each Lender agrees to provide its pro rata share of the Credit Facility up to its commitment as set forth on **Schedule B**.
Borrower(s):	CannTrust Holdings Inc., CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (collectively, the "**Borrowers**" and each, a "**Borrower**"). Unless otherwise stated, all obligations of the Borrowers are joint and several. Effective immediately upon (i) Cortland releasing CannTrust Holdings Inc. as a borrower and an obligor under the Cortland Credit Facility; and (ii) the date on which the CT Equity Investment (as defined below) is consummated and, each of the Agent and the Lenders shall be deemed to have: (a) irrevocably released CannTrust Holdings Inc. from all of its debts, liabilities and obligations under this Term Sheet and each of the other Credit Documents to which it is a party; (b) irrevocably released and discharged forever all security interests, charges, pledges, mortgages, guarantees and security which the Agent has or had from, or in respect of any property, assets, rights or undertaking of CannTrust Holdings Inc. pursuant to the Security (as defined below); and (c) acknowledged and agreed that CannTrust Holdings Inc. will cease to be a Borrower and an Obligor for all purposes of this Term Sheet and the other Credit Documents at all times thereafter.
Guarantors:	Any material wholly-owned subsidiaries of any Borrower and/or Guarantor.
Currency:	Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars ("**CAD**").
Credit Facility:	A Debtor-In-Possession and CCAA Exit Credit Facility (the "**Credit Facility**" or the "**Facility**") with a maximum limit of $5,500,000. The Credit Facility shall consist of a multi-draw non-revolving term loan, which will be disbursed as follows: (1) the initial advance in an amount equal to $2,500,000 (the "**Initial Advance**") which will be advanced into escrow on February 24, 2022 to Lenders' counsel at BCF LLP (the "**Escrow Agent**") and allocated amongst the Lenders as follows: (a) Marshall will advance $2,000,000 of the Initial Advance to the Escrow Agent; (b) Peppin will

advance $400,000 of the Initial Advance to the Escrow Agent; and (c) Koehn will advance $100,000 of the Initial Advance to the Escrow Agent; and (2) each advance under the Credit Facility after the Initial Advance shall be for a minimum amount of $500,000 and be funded solely by Marshall. After the Initial Advance, the Borrowers may not request more than five advances under the Credit Facility.

The proceeds of the Initial Advance will be held by the Escrow Agent. Upon satisfaction of the "Conditions Precedent to Closing Date" below, each of the Agent and the Lenders irrevocably authorizes and directs the Escrow Agent to release the proceeds of the Initial Advance to the Borrowers (or as the Borrowers may otherwise direct the Escrow Agent in writing).

Use of Proceeds: Funds advanced under the Credit Facility shall be used to fund the Borrowers' working capital needs during the CCAA Proceedings and for general corporate purposes.

Interest Rate: The Outstanding Principal Amount shall accrue interest at a rate per annum equal to 10.0%, which interest will be calculated on the Outstanding Principal Amount and such interest shall be capitalized in arrears on each Interest Payment Date and added to the Outstanding Principal Amount for the period from and including the preceding Interest Payment Date to and including the day preceding such Interest Payment Date until the date that all of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, have been repaid in full or converted into common shares of CannTrust Equity Inc. in accordance with this Term Sheet.

Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

Conversion Right: During the Conversion Period, at any time and from time to time, each of the Lenders will have the option to convert all or part of the Outstanding Principal Amount owed to such Lender, together accrued and unpaid interest, into fully paid and non-assessable common shares of CannTrust Equity Inc. ("**CannTrust Equity Shares**") for an amount equal to $0.0131146538157383 per CannTrust Equity Share.

Each Lender acknowledges and agrees in favour of the Borrowers that, if the right of conversion set forth immediately above is not exercised by such Lender prior to the end of the Conversion Period in accordance with the terms hereof, such right of conversion shall terminate and be of no further force or effect.

Each Lender may exercise its right to convert by delivering to the Borrowers a notice, substantially in the form of **<u>Schedule D</u>** (a "**Conversion Notice**") at least 10 Business Days from the date that the Borrowers have received the related Conversion Notice.

In the event that Marshall exercises the foregoing conversion right in respect of all of the Outstanding Principal Amount owed to Marshall, then each of the other Lenders shall be deemed to also concurrently convert the Outstanding Principal Amount owed to such Lenders.

Each of the Borrowers and the Lenders agree that the conversion of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, into CannTrust Equity Shares. in accordance with this Term Sheet will constitute a full settlement of the debt obligation to the extent of the Outstanding Principal Amount converted in consideration for the issuance by CannTrust Equity Inc. of such CannTrust Equity Shares.

Notwithstanding the foregoing, should Marshall exercise its conversion right of the Outstanding Principal Amount ,together with all accrued and unpaid interest thereon, into CannTrust Equity Shares, such CannTrust Equity Shares shall then become eligible to the Share Exchange Option granted to Marshall pursuant to a Shareholders' Agreement to be further entered into between Marshall and CannTrust Equity Inc., whereby Marshall would be entitled to exchange the CannTrust Equity Shares received hereunder into common shares of CannTrust Holdings Inc., the whole as per the terms of the Shareholders' Agreement and as further described in the subscription agreement to be entered into with respect to the CT Equity Investment (the "**Subscription Agreement**").

For the purpose of this section, any capitalized words not otherwise defined shall have the meaning ascribed to them in the Subscription Agreement.

Term of Credit Facility; Maturity Date:

The term of the Credit Facility will be the earlier of (such earlier date, the "**Maturity Date**"): (i) 12 months from the Initial Advance under the Credit Facility (the "**Facility Term**"), which may be extended for an additional 12-month term upon the request of the Borrowers and the Agent and the Lenders agreeing to such extended term in their sole discretion; and (ii) any other Termination Date.

The Agent shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default that is continuing and has not been waived.

The Agent shall have the immediate right to terminate the Credit Facility upon the giving of notice by the Agent to the Borrowers if an Event of Default has occurred and is continuing beyond a cure period or if the Credit Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law or policy or request of any regulatory authority, unless such illegality or contravention resulted from the gross negligence or wilful misconduct of, or an illegal act by the Agent or a Lender.

The Facility may be terminated with the consent of both the Agent and the Borrowers, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash to the Agent on such Termination Date.

The date on which all Outstanding Principal Amount shall become due and payable will be termed the "**Termination Date**" and will be the date which is the earliest to occur of the following:

i. The Maturity Date;
ii. The date on which any Event of Default occurs or is discovered to have occurred in the past and remains uncured beyond the cure or grace period provided herein and the Agent has terminated the Credit Facility by notice to the Borrowers (as provided above);
iii. Unless waived or otherwise consented to by the Agent, the date on which any of the Obligors undertake a liquidation, reorganization event, or Change of Control, other than in connection with implementation of the CCAA Plan, the subscription for common shares of CannTrust Equity Inc. by the Agent, Peppin, Koehn and certain other investors for aggregate gross proceeds of at least $11,235,000 (the "**CT Equity Investment**"), or an internal reorganization in which the Agent retains the Security over the resulting entities from such reorganization; and
iv. Any other date which the Credit Facility becomes due and payable pursuant to any other terms within the Credit Documents.

	All payments made by the Borrowers hereunder or received from proceeds of the enforcement or realization of any Security will be applied to amounts due under the Credit Facility, all as determined by the Agent.
Collateral:	The Credit Facility shall be secured by a super-priority security interest in, and during the pendency of the CCAA Proceedings, a second-ranking super-priority DIP financing charge (the "**Second DIP Charge**"), with the priority described below, on (i) the Real Estate Collateral and (ii) all other present and after acquired property (other than Excluded Property) of the Borrowers that are applicants under the CCAA Proceedings ("**Other Collateral**" and together with the Real Estate Collateral, the "**Collateral**"), subject in each case to Permitted Encumbrances. The security interest in the Collateral shall only be subordinate to the Administration Charge, the Directors' Charge, the DIP Charge (granted in favour of Cortland) and the KERP Charge (all as defined in the Amended and Restated Initial Order) and only up to the amounts set out in paragraph 57 of the Amended and Restated Initial Order for the aforementioned charges. Upon termination of the CCAA Proceedings, the security shall be subject to the first-ranking security in favour of Cortland and the other Permitted Encumbrances.
Excluded Property:	All of the following shall constitute "**Excluded Property**" for purposes of the Credit Documents and the Second DIP Charge: i. all of the Borrowers' right, title and interest in Cannatrek Limited; ii. any residual beneficial interest that the Borrowers have in CannTrust Directors and Officers Trust, a trust established by the Borrowers for purposes of settling potential director and officer liabilities (provided that, for greater certainty, if the Borrowers receive any distribution from the trust upon its termination, the proceeds of the distribution will become Collateral); and iii. any reserve accounts maintained by the Borrowers (or any one of them), and all funds on deposit therein (the "**Balfour Cash Collateral**"), in connection with the tolling agreement made as of January 31, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "**Balfour Tolling Agreement**") among Balfour Energy Corp., CannTrust Inc., Elmcliffe Investments Inc. and the other Obligors party thereto from time to time, provided that no Borrowers or any Guarantor will deposit any funds into such reserve accounts covered by this subsection (iii) while any amount is outstanding under the Credit Facility except for pre-scheduled payments set forth in a schedule provided by the Borrowers to the Agent.
Mandatory Repayment from Disposition of Real Estate Collateral:	If a Borrower sells any of the Real Estate Collateral (with the prior written consent of the Agent and on terms satisfactory to the Agent), the Agent shall receive net sales proceeds from such sale (net only of usual closing adjustments and any amounts paid to Cortland as first-ranking secured creditor), up to the total amount of the Borrowers' indebtedness to the Agent and the Lenders under the Credit Facility. For greater certainty, any amount repaid by the Borrowers may not be re-borrowed.
Voluntary Repayments:	The Borrowers may at any time and from time to time prepay the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, if any, in whole or in part, without any notice or penalty to the Lenders.

Application of Mandatory and Voluntary Prepayments: Any repayment of the Outstanding Principal Amount and interest made to the Agent and the Lenders by the Borrowers under the Credit Documents shall be applied on a pro rata basis among the Lenders based on their proportionate share of the Credit Facility as set forth on **Schedule B**.

Security Documentation: As security for the indebtedness and all obligations of the Borrowers and any Guarantors to the Agent and the Lenders under or in connection with the Credit Documents, the Borrowers and the Guarantors shall provide to the Agent, for its own behalf and on behalf of the Lenders, collateral mortgages in favour of the Agent (in the case of Borrowers or Guarantors which possess any Real Estate Collateral) (collectively, the "**Mortgages**") and a general security agreement ("**GSA**") in favour of the Agent, for its own behalf and on behalf of the Lenders, including all documentation related to the GSA as may be required to secure and maintain the Agent's second-priority interest over the Collateral (collectively, "**Security**"), all of which shall be in a form and content acceptable to the Agent, acting reasonably in accordance with customary market practice.

The Agent will hold the Security as trustee on behalf of each Lender in accordance with the provisions of the Credit Documents for any Lender and will hold and enforce such benefits in accordance with the Credit Documents on behalf of Lenders.

Each Obligor will use its commercially reasonable efforts to obtain all necessary consents which may be required to pledge all shares and/or equity interests such Obligor owns in any non-wholly owned subsidiary in favour of the Agent. Each Obligor undertakes to provide all evidence that it has used its commercially reasonable efforts to obtain such consents from any Person required to grant such consent.

Conditions Precedent to the Closing Date: The obligation of the Agent and the Lenders to make the Credit Facility available to the Borrowers and to fund the Initial Advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent (and the date on which such conditions precedent are satisfied or waived, the "**Closing Date**"):

1. Order of the Court approving the Credit Facility and related transactions, granting the Second DIP Charge and providing for the priority of the security in the Collateral in form and substance satisfactory to the Agent and its counsel (the "**Second DIP Order**").

2. Confirmation that no amount will be owing to Greenhill & Co. Canada, Ltd. from the Borrowers as a result of the closing of the Credit Facility.

3. Each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects.

4. No Material Adverse Change since the date of the latest financial statements provided to the Agent.

5. Review of the Borrowers' forecast financial statements for fiscal year 2022 and most recent 13- week cash flow forecast as provided from time to time by the Borrowers to the Lender, which is satisfactory to the Agent.

Post-Closing Conditions: The following conditions shall be satisfied, or waived by the Agent, within five (5) Business Days of the Closing Date:

1. Receipt by the Agent of a certificate for the business and property insurance maintained by the Borrowers naming the Agent as mortgagee and loss payee as its interest may appear;

2. Receipt by the Agent of certificate for the commercial general liability insurance maintained by the Borrowers, naming the Agent as additional insured as its interest may appear.

Conditions Precedent to each Subsequent Advance under the Credit Facility:

The following conditions precedent shall be satisfied, or waived by the Agent, prior to each subsequent advance under the Credit Facility (after the Initial Advance):

1. delivery to the Agent of a drawdown request, in a substantially the form attached hereto as **Schedule C**, by 10 a.m. one Business Day prior to a proposed drawdown date;

2. each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date);

3. the Second DIP Order must not be vacated, stayed, amended, or otherwise caused to become ineffective without the prior written consent of the Agent; and

4. no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

Conditions Precedent to Extension of Credit Facility After CCAA Exit

The following conditions precedent shall be satisfied, or waived by the Lender, prior to the continuation of the availability of the Credit Facility by the Lender to the Borrowers upon the Borrowers exit from the CCAA Proceedings:

1. the Lender being satisfied with the Borrowers' business plan and forecast;

2. negotiation, execution and delivery of a credit agreement (the "**Credit Agreement**") incorporating terms and conditions which are substantially similar to this Term Sheet and such other terms and conditions to be agreed upon between the Lender and the Borrowers to address the Borrowers' business plan upon exit of the CCAA Proceedings and due diligence by the Lender in respect of the same, including appropriate financial covenants required by the Agent and those in favour of Cortland or other senior lender;

3. Completion of Security, including receipt of customary legal opinions, in form and substance satisfactory to the Lender and its counsel;

4. Execution of a satisfactory subordination agreement, priorities agreement, intercreditor agreement, estoppel letters or similar arrangements between the Lender and each of the prior secured creditors of the Obligors to be determined following the completion of PPSA searches;

5. if required by Cortland, third party appraisal and/or full review of all Collateral;

6. if required by Cortland, receipt of equipment appraisals covering equipment where such appraisal is conducted by an appraiser approved and engaged by the Lender or Cortland;

7. each of the representations and warranties made by the Borrowers in the Credit Agreement shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date); and

8. no Event of Default has occurred and is continuing.

Facility Covenants:

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees with the Agent that it:

1. Will pay all sums of money when due under the terms of the Credit Documents.

2. Will immediately advise the Agent of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default.

3. Will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested.

4. Will give the Agent, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Agent in writing, the Borrowers must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control.

5. Will comply in all material respects with all applicable laws, including all Environmental Laws.

6. Will comply with the borrowing limit under the Cortland Credit Facility at all times (subject to any cure or grace period afforded thereunder).

7. Will immediately advise the Agent of any material action requests or material violation notices received concerning it and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Agent.

8. Will immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents.

9. Will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils.

10. Will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, upon reasonable prior written notice and during normal business hours, (i) to visit and inspect a Borrower's premises, properties and assets and examine and obtain copies of such Borrower's records or other information, and (ii) to discuss such Borrower's affairs with the auditors of such Borrower (in the presence of such Borrower's representatives as it may designate). Each Borrower hereby authorizes and directs any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent.

11. Except for Permitted Encumbrances, will not, without the prior written consent of the Agent which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Collateral.

12. Will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of Collateral (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of the Borrowers or Guarantors and any minority interests held by the Borrowers or Guarantors, provided that such proceeds of any sale or disposal of shares/equity interests owned by any Borrower or such Guarantor shall be used to: (A) first, pay down the principal balances outstanding under the Cortland Credit Facility, together with any interest and fees relating thereto; and (B) second, to the extent any remaining funds, the Outstanding Principal Amount; (iv) Excluded Property; and (v) any other Property that has a fair market value of $100,000 or less per calendar year in the aggregate; or (b) to any other Borrower or any Guarantor.

13. Will not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than (a) to or for another Obligor; (b) the Security; and (c) Permitted Indebtedness.

14. will not, without giving the Agent 15 days prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person (other than amalgamations between (a) Obligors, (b) CannTrust Holdings Inc., (c) CTI Holdings (Osoyoos) Inc., and/or (d) Elmcliffe Investments [No.2] Inc.) and it will either: (i) cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require and in the event a Borrower is acquired within the Facility Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, the Credit Facility will not be automatically terminated and the surviving party must agree to be bound by the Credit Documents; or (ii) the Borrowers shall repay all principal, accrued interest, fees and expenses owing to the Agent pursuant to the Credit Documents in the event the Agent withholds its consent.

15. Will not pay any dividends, other corporate distributions, interest or principal on subordinated debt, other than regularly scheduled principal payments on the promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.

16. Will not acquire or move any Collateral to any jurisdiction outside the Provinces of Ontario or British Columbia or any other jurisdiction where the Agent has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent.

17. Will not incur additional indebtedness other than Permitted Indebtedness.

18. Will maintain a minimum Tangible Net Worth of $20,000,000.

19. Shall notify the Agent within one (1) Business Day of any Account Debtor notifying such Borrower that they are contesting any invoice amount each time such notification is required to be made to Cortland.

20. Will at all times allow the Agent to have view access over all bank accounts maintained by each Borrower.

21. Will fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all costs associated with any appraisals at a minimum of once per calendar year.

22. Will provide copies to the Agent of any field exam or due diligence conducted on behalf of Cortland in connection with the Cortland Credit Facility.

23. Will provide information upon request by the Agent as it relates to any vendor number or similar identification of such obligor by its end customers and/or suppliers.

24. Will grant permission to the Agent to contact each of such Borrower's end customers and its own suppliers for the purposes of verification, other than, in each case, individual medicinal customers and subject to compliance with privacy laws and confidentiality obligations of the Borrowers.

Reporting Covenants: So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees that it will provide or cause to be provided to the Agent, all of the following, in form and detail satisfactory to the Agent:

(i) Quarterly, within 30 days after each calendar quarter, financial reporting from each of the Borrowers on both a consolidated and unconsolidated basis

(ii) Monthly, within 30 days after the end of each calendar month;

- i. internal management prepared financial statements of the Obligors as at the end of such calendar month on a consolidated and unconsolidated basis;
- ii. a trial balance of the Obligors as at the end of such calendar month;

(iii) Monthly, within 10 days after the end of each calendar month, proof of all payments required to be made on all taxes owing by the Obligors;

(iv) Monthly, within 2 Business Days after the end of each calendar month;

- **i.** A Borrowing Base as at the last day of such calendar month
- ii. Bank statements of the Obligors
- iii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month

(v) Weekly, and specifically on the Monday of each week, for the period covering the immediately prior week ending on Friday of such prior week;

- i. a Borrowing Base as at the Friday of the immediately prior week;
- ii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs, credit memos and any other transactions covering the prior week.
- iii. A 13-week cash forecast of the Borrowers covering the following 13-weeks from the time of reporting such forecast.

(vi) Each time it is requested by Cortland, copies of all original final purchase orders, invoices, supply agreements etc.;

(vii) Other items as the Agent may reasonably request from time to time.

Representations and Warranties:

Each Borrower represents and warrants (subject to obtaining the Second DIP Order, where applicable) to the Agent and the Lenders, upon which the Agent and the Lenders rely on in entering this Term Sheet that:

1. each Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;

2. each Borrower has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;

3. the execution and delivery by each Borrower of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Second DIP Charge;

4. this Term Sheet and each of the other Credit Documents to which it is a party has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of each Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;

5. the Collateral (i) is owned by or licensed to the Borrowers and is only located at the locations disclosed in writing to the Agent and the Lenders, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;

6. the execution and delivery by each Borrowers of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party or (iii) any applicable law;

7. all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by a Borrower or anyone on its behalf to the Agent are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;

8. the business operations of each Borrower has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent it would not cause a Material Adverse Change;

9. each Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No

proceedings have been commenced or, to the knowledge of the Borrowers, threatened to revoke or amend any of such licenses or permits;

10. no Borrower is aware of any person with a secured claim against any Borrower or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and each Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;

11. each Borrower has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained;

12. other than the CCAA Proceedings and litigation proceedings stayed by the Amended and Restated Initial Order, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Borrower, threatened against or affecting the Borrowers;

13. (i) each Borrower is and has been in material compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Borrower is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Borrower is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Borrowers, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrowers and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) no Borrower has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Borrower has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

14. each Borrower maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which a Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrowers; and

15. all factual information provided by or on behalf of the Borrowers to the Agent for the purposes of or in connection with this Term Sheet, the other Credit Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not

materially misleading at such time in light of the circumstances under which such information was provided.

Target Closing Date	The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before February 25, 2022, following court approval. The Borrowers will seek to obtain the Second DIP Order at a hearing on February 25, 2022 on notice to the service list in the CCAA Proceedings and such other parties as the Borrowers or the Agent consider appropriate.
Exclusivity	With the execution of this Term Sheet, Borrowers grant exclusivity to the Agent to provide to the Borrowers a second ranking senior-secured term loan credit facility until the earlier of: (i) February 25, 2022; and (ii) the date that the Borrowers obtain the Second DIP Order (or the Court declines to make the Second DIP Order).
Amendments/Waivers	This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrowers and the Agent.
Successors and Assigns; Enurement	This Term Sheet shall be binding upon and enure to the benefit of the Agent, the Lenders and the Borrowers and their respective successors and permitted assigns.
Assignment	No Borrower shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Agent. The Agent may assign, sell or participate its rights or obligations with respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Borrowers.
Governing Law	This Term Sheet shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and each of the Agent, the Lenders and the Borrowers irrevocably attorns to the exclusive jurisdiction of the courts of Ontario.
Execution in Counterparts	This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.
Agent's Counsel:	BCF LLP
Obligors' Counsel:	McCarthy Tétrault LLP. Each of the Agent and the Lenders acknowledges and agrees that (i) McCarthy Tétrault LLP is acting solely as counsel to the Obligors and not as counsel to the Agent or any of the Lenders; and (ii) Obligors' counsel, McCarthy Tétrault LLP, does not assume any responsibility or liability of any nature whatsoever for the accuracy or adequacy of the information upon which the Agent's and each Lender's decision to make its commitments and its portion of the Credit Facility available to the Borrowers and the transactions contemplated by this Term Sheet and the other Credit Documents.
Expiry:	If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to the Agent an executed counterpart to this Term Sheet not later than 5:00 p.m. (Toronto time) on February 18, 2022. The Agent's and the Lenders' commitments and agreements herein will expire at such time in the event the Agent has not received such executed counterpart from the Borrowers in accordance with the immediately preceding sentence.

[Signature Page Follows]

Each Borrower authorizes the Agent to collect, use and disclose information for the purposes of verification, assessing our credit worthiness, and contract administration. Each Borrower agrees that this information may be collected from any third parties, including current employees, credit bureaus and other persons or organization with whom we have or had financial dealings.

MARSHALL FIELDS INTERNATIONAL B.V. , as Agent

Cornelis MELISSEN director

Name **Title**

Signed

MARSHALL FIELDS INTERNATIONAL B.V. , as a Lender

Cornelis MELISSEN director

Name **Title**

Signed

SIGNED, SEALED AND DELIVERED in the presence of:	))))	DocuSigned by: Dan Koehn 80D8AE84DB4B43F...
Witness	))	**DAN KOEHN, as a Lender**

SIGNED, SEALED AND DELIVERED in the presence of:	))))	DocuSigned by: DF02413EA13A434...
Witness	))	**ANDREW PEPPIN, as a Lender**

Accepted this 18th day of February 2022

CANNTRUST HOLDINGS INC. as Borrower and on behalf of all other Borrowers

GREG GUYATT — CEO

Name **Title**

Signed

SCHEDULE A
DEFINED TERMS

"Acceptable Appraiser"	means a Person, who at no time has had an interest, direct or indirect, in the real property being appraised and who, at the time such appraisal was conducted and signed, was designated as an appraiser by the Appraisal Institute of Canada having the designation A.A.I.C. or C.R.A. and who was otherwise acceptable and selected by the Agent and who, in the reasonable opinion of the Borrowers, was qualified to appraise real property in the province in which such real property is located. Each of the Parties acknowledges and agrees that each of Cushman & Wakefield, Inc., Colliers International Group Inc. and Altus Group Limited and their affiliates constitute an Acceptable Appraiser for purposes of the Credit Documents.
"Account Debtor"	means any party which owes any amount under invoices owing to the Borrowers or any Borrower.
"Amended and Restated Initial Order"	means the Amended and Restated Initial Order dated April 9, 2020, made in the CCAA Proceeding, as amended from time to time.
"Approved Appraised Real Estate Value"	means the net orderly liquidation value of the Real Estate Collateral in question where such value is based on best alternative use, such value to be determined by an Acceptable Appraiser, and such appraisal to be conducted once at any time in each calendar year. Until such time as a revised or substitute appraisal (acceptable to the Agent) is obtained in respect of the Real Estate Collateral, that the Approved Appraised Real Estate Value is $28,700,000 for the Pelham Property.
"Borrowing Base"	means the calculations prepared by the Borrowers and reviewed by Cortland from time to time which calculates availability under the Cortland Credit Facility, such document to determine the advanceable amount under the Cortland Credit Facility and presented in a form as required by Cortland.
"Business Day"	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Ontario, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
"CCAA"	means the *Companies' Creditors Arrangement Act* (Canada).
"CCAA Proceedings"	means the proceedings in Ontario Court File No. CV-20-00638930-00CL whereby the Borrowers have sought to restructure pursuant to the CCAA.
"Change of Control"	means either (i) CannTrust Equity Inc. ceases to Control the other Obligors, (ii) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Obligors, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (iii) any transaction or series of

	transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of any Borrower; provided that, the CT Equity Investment will not constitute a "Change of Control".
"Contaminant"	includes any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law.
"Control"	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and "***Controlling***" and "***Controlled***" have meanings correlative thereto.
"**Conversion Period**"	means the period commencing on the date on which the CT Equity Investment is consummated and ending on the earlier to occur of: (a) the Maturity Date; and (b) the date on which all of the Outstanding Principal Amount, together with all accrued and unpaid interest thereon, have been repaid in full or satisfied by the Borrowers.
"Cortland"	means Cortland Credit Lending Corporation, in its capacity as agent, and any successors or assigns, together with its affiliates and/or other lenders to be designated by Cortland Credit Lending Corporation from time to time.
"Cortland Credit Facility"	means the revolving credit facility by Cortland in favour of CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. under the summary of terms and conditions dated April 13, 2021, as amended, renewed, restated or otherwise modified from time to time.
"Credit Documents"	means, collectively, this Term Sheet, the Security, and all other documents granted in favour of the Agent in connection with this Term Sheet and the Security.
"Environmental Activity"	means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.
"Environmental Laws"	means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.
"Event of Default"	means the occurrence of any one or more of the following: (i) if any Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Loan Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment;

(ii) if any Borrower or any representative of any Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of such Borrower;

(iii) if a Bankruptcy Event of any Borrower occurs (other than under the CCAA Proceedings);

(iv) if a Change of Control occurs;

(v) if at any time a Borrowing Base Shortfall (as defined in the Cortland Credit Facility) exists and the Borrowers do not repay outstanding advances under the Cortland Credit Facility to Cortland in an amount equal to the excess of such Borrowing Base Shortfall (as defined in the Cortland Credit Facility) on the same day of such occurrence (subject to any cure or grace periods set forth in the Cortland Credit Facility);

(vi) if any encumbrancer, lien holder or person acting on its behalf shall take possession of the Collateral or any material part thereof;

(vii) excluding amounts that are subject to the stay of proceedings under the Amended and Restated Initial Order, if any Borrower permits any sum which has been admitted as due by such Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;

(viii) if any representation or warranty made by any Borrower or any of its officers, employees or agents to the Agent shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within 3 Business Days of any Borrower becoming aware of it being false or inaccurate. The 3-Business Day cure period will only be granted by the Agent to the Borrowers once per 12-month period;

(ix) if any Borrower or Affiliate (as defined in the *Canada Business Corporations Act*) of any Borrower engages in business activities related to Cannabis within the United States of America so long as such activity is not legal in the United States of America;

(x) if any Borrower defaults in the observance or performance of any provision relating to the indebtedness or liability of such Borrower to any person in excess of $1,500,000 (taken in aggregate), other than (A) indebtedness or liabilities that are subject to the Amended and Restated Initial Order; and (B) the Cortland Credit Facility;

(xi) if any event of default under the Cortland Credit Facility occurs that results in Cortland accelerating the indebtedness outstanding under the Cortland Credit Facility;

(xii) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;

(xiii) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrowers that is not subject to the Security;

(xiv) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled; or

(xv) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least $1,500,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against a Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

"Interest Payment Date"	means the first Business Day of each month, commencing April 1, 2022.
"Lien"	means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.
"Material Adverse Change"	means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of a Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrowers, taken as a whole, (d) any Material Permit, (e) a Borrower's ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Agent under any of the Credit Documents; provided that, (i) any change in the financial condition of a Borrower as the date hereof caused by or related to the COVID-19 global pandemic occurring prior to the date of this Term Sheet will not constitute a Material Adverse Change; and (ii) the commencement and continuation of the CCAA Proceedings will not constitute a Material Adverse Change.
"Material Permits"	means all cannabis licences issued by Health Canada to CannTrust Inc. which are required to legally conduct its business.
"Obligors"	means the Borrowers and the Guarantors.
"Outstanding Principal Amount"	means, as at the date of determination, the outstanding principal amount of all advances drawn under the Credit Facility to the extent not previously repaid or converted into common shares of CannTrust Equity Inc.
"Parties"	means the Agent, the Lenders and the Borrowers and the term "**Party**" shall mean any one of such Parties.

“Pelham Property”	means 1396 Balfour Street Pelham, Ontario (PIN: 64030-0908 LT), having a total site area of 65.5 acres of land improved with 8.27 acres of glass and double ply greenhouses and service buildings.
“Permitted Encumbrances”	means, collectively, (i) Liens granted in favor of the Agent pursuant to the Credit Documents and the Second DIP Charge, (ii) Subordinated Liens (including Liens granted in favour of CannTrust Holdings Inc. and/or any Obligor), (iii) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien covered in clause (iii) has been expressly approved and consented to by the Agent; (iv) existing equipment leases and related arrangements; (v) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vi) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Agent has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vii) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person; (viii) licences, easements, rights of way and rights in the nature of easements (including licences, easements, rights of way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person; (ix) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person; (x) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; (xi) security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business; (xii) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default; (xiii) a Lien in favour of a financial institution to secure indebtedness under letters of credit, corporate credit cards and/or other cash management, (xiv) the DIP Charge (as defined in the Cortland Credit Facility) and Liens in favour of Cortland; (xv) Liens over the Balfour Cash Collateral granted in favour of Balfour Energy Corp.; (xvi) Liens in respect of purchase money security interests, capital leases and equipment financing, so long as the amount secured by such Liens does not exceed $2,500,000 in the aggregate at any time; and (xvii) the Administration Charge, the Directors’ Charge, the Transaction Fee Charge, the Intercompany Charge and the KERP Charge (all as defined in the Amended and

	Restated Initial Order) and only up to the amounts set out in paragraph 57 of the Amended and Restated Initial Order.
"Permitted Indebtedness"	shall include (i) certain intercompany indebtedness owing by any Obligor to (A) any other Obligor; and/or (B) CannTrust Holdings Inc., (ii) existing indebtedness which is exclusive to: (A) promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.; (B) the letter of credit issued in favour of landlord of Unit 1 of 3280 Langstaff Road in Vaughan, Ontario; (C) debt under corporate credit cards and letters of credit in an aggregate amount not to exceed $250,000; (D) equipment leases; and (E) guarantees granted in favour of Balfour Energy Corp. under the Balfour Tolling Agreement; and (iii) future indebtedness owing to other third parties where such indebtedness is fully subordinated and postponed to Lender and the Agent has consented to such indebtedness (other than in the case of equipment leases), (iv) indebtedness to Cortland, and (v) debt under future capital leases and equipment leases so long as the amount of debt thereunder does not exceed $2,500,000 in the aggregate at any time.
"Person"	means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.
"Real Estate Collateral"	means the unencumbered real estate owned by the Obligors. As of the date hereof, the only real estate owned by the Obligors is the Pelham Property.
"Subordinated Lien"	means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Agent.
"Subordinated Supplier Lien"	means any Supplier Lien that is a Subordinated Lien.
"Tangible Net Worth"	As it relates to the Obligors on a consolidated basis and where the following definition may change in the Credit Documents; the value in dollars which remains after subtracting the following from the Obligors' total assets at any point in time: (i) The book value of all liabilities of the Obligors, other than (A) all liabilities of the Obligors which are expressly subordinated to the Agent; (B) all unsecured liabilities of the Obligors; and (C) all lease liabilities of the Obligors; (ii) The value of all funds held in trust for any party other than Cortland and the Agent. (iii) The value of prepaid expenses of the Obligors (iv) The book value of loans receivable from any related parties other than the Obligors (v) The book value of loans which the Obligors have extended which are in default (vi) The market value of all public equity securities, public warrants or other substantially similar securities listed on a publicly listed stock exchange held by the Obligors.

SCHEDULE B
Lenders and Commitments

Lender	**Commitment**
Marshall Fields International B.V. or any designated affiliate or subsidiary	Cdn. $5,000,000
Andrew Peppin	Cdn. $400,000
Dan Koehn	Cdn. $100,000
TOTAL:	Cdn. $5,500,000

SCHEDULE C
Drawdown Request

TO:	Marshall Fields International B.V. (the "**Agent**")
FROM:	CannTrust Equity Inc. on behalf of the Borrowers (as defined below)
RE:	Summary of terms and conditions dated as of February 18, 2022 (as amended, restated, modified or supplemented from time to time, the "**DIP Term Sheet**") between, *inter alios*, CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**Borrowers**"), the Agent, and the persons from time to time parties thereto as lenders (the "**Lenders**").
DATE:	●, 2022

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1. This Drawdown Notice is delivered to the Agent, pursuant to the DIP Term Sheet. All terms used in this drawdown notice that are defined in the DIP Term Sheet have the same meanings herein.

2. The Borrower hereby requests the following advance and under the Credit Facility:

   (a) Drawdown Date: ●

   (b) Amount of Loan: ●

3. Each of the representations and warranties made by the Borrowers in the DIP Term Sheet and each Credit Document are true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date).

4. The Second DIP Order has not been vacated, stayed, amended, or otherwise caused to become ineffective.

5. No Event of Default ha occurred and or is continuing, nor will any Event of Default occur as a result of the requested advance.

CANNTRUST EQUITY INC.

By:

____

Name:
Title:

<u>SCHEDULE D</u>
<u>Conversion Notice</u>

TO: CannTrust Equity Inc. (the "**Corporation**")

FROM: [●] (the "**Specified Lender**")

RE: Summary of terms and conditions dated as of February 18, 2022 (as amended, restated, modified or supplemented from time to time, the "**DIP Term Sheet**") between, *inter alios*, CannTrust Equity Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**Borrowers**"), the Agent, and the persons from time to time parties thereto as lenders (the "**Lenders**").

DATE: ●, 2022

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1. This Conversion Notice is delivered to the Corporation pursuant to the DIP Term Sheet. All terms used in this drawdown notice that are defined in the DIP Term Sheet have the same meanings herein.

2. The Specified Lender hereby irrevocably elects to convert the following Outstanding Principal Amount owed to the Specified Lender into the number of common shares of the Corporation set forth below:

   (a) Outstanding Principal Amount: $_________________________

   (b) Number of Common Shares: __________________________

3. The Specified Lender irrevocably directs that the common shares of the Corporation be issued in the name of the Specified Lender and be delivered to the Specified Lender at the address set forth below:

   (a) Address:

   (b) Attention:

   (c) Phone Number:

   (d) Email:

DATED as of the date first written above.

MARSHALL FIELDS INTERNATIONAL B.V., as the Specified Lender[1]

Name **Title**

Signed

SIGNED, SEALED AND DELIVERED in the presence of:	))))	
Witness	))	**[DAN KOEHN/ ANDREW PEPPIN], as Specified Lender**

[1] **NTD: Use appropriate signature block depending on which Lender is delivering the Conversion Notice.**

TAB H

This is **Confidential Exhibit "1"** referred to in the Affidavit of **Greg Guyatt**, sworn before me, this 18th day of February, 2022

N Rambaran

A Commissioner for Taking Affidavits
Natasha Rambaran, LSO #80200N

CONFIDENTIAL EXHIBIT “1”
SUBJECT TO REQUESTED SEALING 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. 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 February 18, 2022)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6
Fax: 416-868-0673

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 43927702

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM	)	FRIDAY, THE 25TH
	)	
JUSTICE CONWAY	)	DAY OF FEBRUARY, 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

INVESTMENT APPROVAL ORDER

THIS MOTION, made by CannTrust Holdings Inc. ("**CannTrust Holdings**"), CannTrust Inc. ("**CannTrust Opco**") and Elmcliffe Investments Inc. ("**Elmcliffe**" and, together with CannTrust Holdings and CannTrust Opco, the "**CannTrust Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things: (a) approving the transactions (the "**Transaction**") contemplated under (i) the subscription agreements (the "**Subscription Agreements**") to be entered into between CannTrust Equity Inc. ("**CannTrust Equity**", together with CannTrust Holdings and CannTrust Opco, the "**CannTrust Transaction Parties**"), as issuer, and each of Marshall Fields International B.V (the "**Investor**") and Daniel Koehn, Andrew Peppin, Jeffrey Zietlow and Greg Guyatt (collectively, the "**Individual Investors**"), as investors, substantially in the forms appended as Exhibit "C" to the Affidavit of Greg Guyatt sworn February 18, 2022 (the "**Guyatt Affidavit**"); and (ii) a unanimous shareholder agreement (the "**USA**") between CannTrust Holdings, CannTrust Equity, the Investor and the Individual Investors, reflecting the terms set forth in Schedule A-2 to the Subscription Agreements; (b) authorizing and approving the Assignments from CannTrust Holdings to CannTrust Equity; (c) authorizing borrowing under the Investor DIP (defined below) and granting the Investor DIP Charge (defined below); (d) approving certain ancillary relief relating to the termination of the CCAA Proceedings; and (e) extending the Stay Period (as 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 the Guyatt Affidavit, the Eighteenth Report of Ernst & Young Inc. in its capacity as the monitor of the CannTrust Applicants (the "**Monitor**") dated February ●, 2022 (the "**Eighteenth Report**"), and on hearing the submissions of counsel for the CannTrust 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 CannTrust Applicants in support of this motion, and the Eighteenth 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 Guyatt Affidavit or the Subscription Agreements.

APPROVAL OF THE AGREEMENTS, ASSIGNMENTS AND TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Subscription Agreements, the USA, the Assignments and the Transaction are hereby approved, with such minor amendments as the CannTrust Transaction Parties, in consultation with the Monitor, may deem necessary or desirable.

4. **THIS COURT ORDERS** that each of the CannTrust Transaction Parties is hereby authorized to execute the Subscription Agreements, the USA and the Assignments, as applicable, and authorized and directed to take such additional steps and execute such additional documents,

including any additional documents contemplated in the Subscription Agreements, the USA, the Assignments or as they may direct, as may be necessary or desirable for the completion of the Transaction and for the issuance of the Subscribed Shares (as defined in the Subscription Agreements) to the Investor and the Individual Investors in accordance with the Subscription Agreements, including that each of the CannTrust Transaction Parties is authorized and empowered to take such steps or execute such documents notwithstanding the stay of proceedings or any other restriction in the Initial Order or any other prior order of the Court in these CCAA Proceedings to the contrary, with consent of the Monitor.

5. **THIS COURT ORDERS AND DECLARES** that all contracts, leases and other agreements and arrangements to which any of the CannTrust Applicants or CannTrust Equity (each, an "**Affected Party**" and collectively, the "**Affected Parties**" or the "**Borrowers**") is a party, whether written or oral (each, including any and all amendments or supplements thereto, an "**Existing Agreement**") that have not expired or been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order or otherwise, will remain in full force and effect as of the Closing Effective Time, 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 of the Affected Parties that is a party to such Existing Agreement, by reason of any change in the control of the Affected Parties arising from the implementation of the Transaction, and such counterparties are hereby deemed to waive any defaults relating thereto.

6. **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) and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any Affected Party;

the Subscription Agreements, the USA, the Assignments, the Transaction, and the implementation of each of the foregoing, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Affected Parties, and shall not be void or voidable by creditors of any of the Affected Parties or shareholders of CannTrust Holdings, as applicable, nor shall any of the foregoing 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 any of the foregoing constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

INVESTOR INTERIM FINANCING AND EXIT CREDIT FACILITY

7. **THIS COURT ORDERS AND DECLARES** that the interim financing and exit credit facility to be provided by the Investor, Daniel Koehn and Andrew Peppin (collectively, the "**Investor DIP**"), and the terms and conditions set forth in the term sheet entered into between the Borrowers and the Investor Lenders dated February 18, 2022 (the "**Investor DIP Term Sheet**"), are hereby approved.

8. **THIS COURT ORDERS AND DECLARES** that the Borrowers are hereby authorized to borrow under the Investor DIP in the maximum principal amount of $5,500,000, on the terms and subject to the conditions set forth in the Investor DIP Term Sheet.

9. **THIS COURT ORDERS AND DECLARES** that the Investor Lenders shall be entitled to the benefit of and are hereby granted a charge to the maximum principal amount of $5,500,000 (the "**Investor DIP Charge**") on the Property (as defined in the Initial Order) of the CannTrust Applicants, which Investor DIP Charge shall not secure an obligation that exists before this Order is made. The Investor DIP Charge shall have the priority set out in paragraphs 57 and 59 of the Initial Order, as amended by this Order.

10. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order the Investor Lenders may take such steps from time to time as the may deem necessary or appropriate to file, register, record or perfect the Investor DIP Charge or any related definitive documents (the "**Investor Definitive Documents"**).

11. **THIS COURT ORDERS** that, with effect from and after the date of this Order, paragraphs 57-62 of the Initial Order (as amended and restated on April 9, 2020 and further

amended by the DIP Approval Order dated April 30, 2021) shall, from and after the date of this Order, be replaced with the following paragraphs:

57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the Investor DIP 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 – DIP Lender's Charge (to the maximum principal amount of $22,500,000);

    Fifth – Investor DIP Charge (to the maximum principal amount of $5,500,000 million);

    Sixth - Transaction Fee Charge; and

    Seventh – 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 shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that the DIP Lender's Charge, the Investor DIP Charge, the Transaction Fee Charge and the Intercompany Charge will not have priority over the security interest of Bank of Montreal in the guaranteed investment certificate in the principal amount of $250,000 pledged in its favour by the Applicants.

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 obtain the prior written consent of the Monitor, the DIP Lender, the Investor Lenders and the beneficiaries of the other Charges, or further Order of this Court.

61. **THIS COURT ORDERS** that the Charges, the Term Sheet, the Definitive Documents and the Investor Definitive Documents 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 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet, the Definitive Documents or the Investor Definitive Documents shall 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 or the execution, delivery or performance of the Term Sheet, the Definitive Documents or the Investor Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the Term Sheet, the Definitive Documents or the Investor Definitive Documents, 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.

MONITOR'S CLOSING CERTIFICATE

12. **THIS COURT ORDERS AND DIRECTS** that upon completion of the Transaction, the CannTrust Transaction Parties shall confirm to the Monitor in writing that Closing has occurred and shall designate a "Closing Effective Time" on the Closing Date and, as soon as practicable thereafter, the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Closing Certificate substantially in the form attached as Schedule "A" hereto (the "**Monitor's Closing Certificate**"), signed by the Monitor certifying that the closing of the Transaction has occurred and setting out the Closing Effective Time.

13. **THIS COURT ORDERS AND DECLARES** that, notwithstanding paragraphs 37(c) and 45 of the Sanction Order, as amended, upon the delivery of the Monitor's Closing Certificate:

(a) Other than as expressly set out herein or in the Sanction Order (other than paragraph 37(c) and 45 of the Sanction Order as amended), the provisions of the Initial Order shall terminate at the Closing Effective Time except with respect to the duties, powers and protections granted therein in favour of the Monitor;

(b) the Administration Charge (as provided for and defined in the Initial Order) shall: (i) be discharged as against all Property except for the Property of CannTrust Holdings as at the Closing Effective Time; and (ii) continue to apply as against the Property of CannTrust Holdings and shall be terminated, discharged, expunged and released as against such Property of CannTrust Holdings upon the filing of the Monitor's Discharge Certificate (as defined below);

(c) the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the Investor DIP Charge and the Transaction Fee Charge (as each is provided for and defined in the Initial Order) shall each be terminated, discharged, expunged and released as at the Closing Effective Time; and

(d) the Intercompany Charge (as provided for and defined in the Initial Order) shall be terminated, discharged, expunged and released at the Closing Effective Time but, for greater certainty, the Intercompany Advances (as provided for and defined in the Initial Order) shall remain outstanding and be governed by the applicable agreements between the relevant parties.

MONITOR'S DISCHARGE CERTIFICATE

14. **THIS COURT ORDERS AND DECLARES** that the Monitor's Discharge Certificate attached as Schedule "C" to the Sanction Order dated July 16, 2021 is hereby amended and replaced with the Monitor's Discharge Certificate substantially in the form attached as Schedule "B" hereto (the "**Monitor's Discharge Certificate**").

15. **THIS COURT ORDERS AND DIRECTS** that, notwithstanding any prior order of the Court to the contrary, the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, signed by the Monitor, forthwith upon: (i) fulfilment of the Monitor's duties under the Claims Procedure Order, the Meeting Order, the Sanction Order and the Investment Approval Order (collectively, the "**Duties**"); and (ii) receipt of an acknowledgement of payment in full of the claims secured by the Administration Charge.

16. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any prior order of the Court, upon the service of the Monitor's Discharge Certificate, (i) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of the CannTrust Applicants and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of the CannTrust Applicants; (ii) the CCAA

Proceedings shall be terminated; (iii) the Administration Charge shall be terminated, discharged, expunged and released as against the Property of CannTrust Holdings; and (iv) any Claims Officer appointed in accordance with the Claims Procedure Order shall be discharged and released from all duties, obligations and responsibilities as Claims Officer pursuant to the Orders in the CCAA Proceedings.

STAY EXTENSION

17. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) be and is hereby extended to and including the earlier of the Closing Effective Time and March 25, 2022, or such later date as this Court may order.

SEALING ORDER

18. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Guyatt Affidavit, and Confidential Exhibit "●" to the Eighteenth Report, shall each be sealed, kept confidential and shall not form part of the public record until closing of the Transaction unless otherwise ordered by the Court.

GENERAL

19. **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.

20. **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.

21. **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 CannTrust 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 CannTrust 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 CannTrust Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"

FORM OF MONITOR'S CLOSING 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 CLOSING CERTIFICATE

WHEREAS pursuant to the Order of this Court dated March 31, 2020, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicants in the within CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. filed a plan of compromise, arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) (as may be amended or restated in accordance with its terms, the "**CCAA Plan**") that was sanctioned by order dated July 16, 2021 and implemented on January 5, 2022;

AND WHEREAS pursuant to the Order of this Court dated February 25, 2022 (the "**Investment Approval Order**"), the Court approved certain Transactions and ordered, at paragraph 12, that upon completion of the Transaction, the CannTrust Transaction Parties shall confirm to the Monitor in writing that Closing has occurred and shall designate a "Closing Effective Time" on the Closing Date and, as soon as practicable thereafter, the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Closing

Certificate, signed by the Monitor certifying that the closing of the Transaction has occurred and setting out the Closing Effective Time;

AND WHEREAS the Monitor has received confirmation from the CannTrust Transaction Parties that Closing of the Transaction has occurred and designating the Closing Effective Time;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Investment Approval Order;

THE MONITOR HEREBY CERTIFIES that:

1. Closing of the Transaction has occurred;

2. The Closing Effective Time is ____________________, which is the Closing Effective Time for purposes of the Investment Approval Order;

3. Upon the filing of this Monitor's Closing Certificate:

   (a) Other than as expressly set out in the Investment Approval Order or in the Sanction Order (other than paragraph 37(c) and 45 of the Sanction Order as amended), the provisions of the Initial Order shall terminate at the Closing Effective Time except with respect to the duties, powers and protections granted therein in favour of the Monitor;

   (b) the Administration Charge (as provided for and defined in the Initial Order) shall: (i) be discharged as against all Property except for the Property of CannTrust Holdings as at the Closing Effective Time; and (ii) continue to apply as against the Property of CannTrust Holdings and shall be terminated, discharged, expunged and released as against such Property of CannTrust Holdings upon the filing of the Monitor's Discharge Certificate;

   (c) the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the Investor DIP Charge and the Transaction Fee Charge (as each is provided for and defined in the Initial Order) shall each be terminated, discharged, expunged and released as at the Closing Effective Time; and

(d) the Intercompany Charge (as provided for and defined in the Initial Order) shall be terminated, discharged, expunged and released at the Closing Effective Time but, for greater certainty, the Intercompany Advances (as provided for and defined in the Initial Order) shall remain outstanding and be governed by the applicable agreements between the relevant parties.

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:

<u>SCHEDULE "B"</u>

FORM OF MONITOR'S DISCHARGE 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 DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order of this Court dated March 31, 2020, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicants in the within CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. filed a plan of compromise, arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (Ontario) (as may be amended or restated in accordance with its terms, the "**CCAA Plan**") that was sanctioned by order dated July 16, 2021 and implemented on January 5, 2022;

AND WHEREAS pursuant to the Order of this Court dated February 25, 2022 (the "**Investment Approval Order**"), the Court approved certain Transactions and ordered, at paragraph 15, that the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, signed by the Monitor, forthwith upon: (i) fulfilment of the Monitor's duties under the Claims Procedure Order, the Meeting Order, the Sanction Order and the Investment Approval Order (collectively, the "**Duties**"); and (ii) receipt of an acknowledgement of payment in full of the claims secured by the Administration Charge.

AND WHEREAS the Monitor has completed its Duties and has received acknowledgement of payment in full of the claims secured by the Administration Charge;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Investment Approval Order or the CCAA Plan;

THE MONITOR HEREBY CERTIFIES that:

1. The Monitor has completed its Duties;

2. The Monitor has received acknowledgement of payment in full of the claims secured by the Administration Charge

3. Upon the filing of this Monitor's Discharge Certificate:

   (a) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of the Applicants and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of the Applicants;

   (b) the CCAA Proceedings shall be terminated;

   (c) the Administration Charge shall be terminated, discharged, expunged and released as against the Property of CannTrust Holdings; and

   (d) any Claims Officer appointed in accordance with the Claims Procedure Order shall be discharged and released from all duties, obligations and responsibilities as Claims Officer pursuant to the Orders in the CCAA Proceedings

4. This Monitor's Discharge Certificate is delivered by the Monitor on ___________, 2022.

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:

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
(Investment Approval Order)

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

MT MTDOCS 43930327

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

(Investment Approval Order)
(Returnable February 25, 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

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