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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

MOTION RECORD

(RE: AGM Extension)
(Returnable July 7, 2022)

June 23, 2022

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TAB 1

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Applicants

NOTICE OF MOTION
(AGM Extension)
(Returnable July 7, 2022)

CannTrust Holdings Inc. ("**CannTrust Holdings**") will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on July 7, 2022 at 10:00 a.m.. or as soon after that time as the motion can be heard, by judicial videoconference in accordance with the Guidelines to Determine Mode of Proceeding in Civil Proceedings, effective April 19, 2022.

PROPOSED METHOD OF HEARING: The motion is to be heard by Zoom videoconference, the details of which will be circulated to the Service List upon receipt from the Court.

THE MOTION IS FOR an order substantially in the form of the draft order included at Tab 5 of the Motion Record of CannTrust Holdings (the "**Proposed AGM Deadline Extension Order**"), among other things:

(a) extending the time for CannTrust Holdings to call an annual meeting of its shareholders until November 30, 2022; and

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

THE GROUNDS FOR THE MOTION ARE:

2. All capitalized terms used and not otherwise defined herein have the meanings given to them in the affidavit of Greg Guyatt sworn June 23, 2022 (the "**Guyatt Affidavit**") or, if not defined therein, the affidavit of David Blair sworn June 23, 2022 (the "**Blair Affidavit**").

Background

3. Phoena Inc. (formerly CannTrust Inc.) is a licensed producer of cannabis in Canada. Pursuant to regulatory audits of the CannTrust Group's facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws.

4. Subsequently, the CannTrust Group ceased sales and production of cannabis, its cannabis licences were partially suspended, and the Actions were commenced against it, which claimed in excess of $500 million in damages.

5. The CannTrust Group has undergone a remarkable turnaround since the summer of 2019. It remediated its business and operations, obtained the reinstatement of its licences, returned to the recreational and medical cannabis markets, settled the Actions and completed a complex and contentious restructuring under the supervision of this Court. The CannTrust Group implemented its CCAA Plan on January 5, 2022 and emerged from the CCAA Proceedings on March 15, 2022.

6. During the course of the CCAA Proceedings, the Court:

(a) authorized the decision by the CannTrust Group to incur no further expenses in relation to any financial statements, press releases or other securities filings; and

(b) extended the time for CannTrust Holdings to call an AGM to a date no later than 120 days after the expiry or termination of the Stay Period (as defined in the Initial Order) (the "**AGM Deadline Extension Order**").

AGM Requirements

7. Under section 94(1) of the *Business Corporations Act* (Ontario) (**"OBCA**"), CannTrust Holdings is required to hold an AGM no later than fifteen months after its last AGM. CannTrust Holdings last held an AGM on June 20, 2019, meaning CannTrust Holdings would have been required to hold its next AGM on or before September 20, 2020.

8. Pursuant to the AGM Deadline Extension Order, this was extended to 120 days after CannTrust Holdings exited CCAA Proceedings. CannTrust Holdings exited CCAA Proceedings on March 15, 2022 and accordingly it is currently required to hold an AGM by July 13, 2022.

9. Under section 154(1) of the OBCA, CannTrust Holdings is required to prepare and place certain financial statements and other information before the shareholders at each AGM.

10. In order to comply with the OBCA, CannTrust Holdings would have to complete the following financial statements (the "**Required Financial Statements**"):

(a) the annual financial statements, related MD&A and annual information form for the year ended December 31, 2021;

(b) the quarterly financial statements and related MD&A for the periods ended March 31, 2021, June 30, 2021 and August 31, 2021; and

(c) the quarterly financial statements and related MD&A for the period ended March 31, 2022.

Replacement of Auditor

11. Prior to August 2019, KPMG had been the auditor of CannTrust Holdings since December 21, 2018.

12. As a consequence of the CannTrust Group's regulatory challenges, the CCAA Proceedings and KPMG having been named as a defendant in the Actions, CannTrust Holdings and KPMG mutually decided to not reappoint KPMG as the company's auditor.

13. MNP was appointed as the successor auditor of CannTrust Holdings in August 2021.

Not Possible to Complete the Required Financial Statements by Deadline

14. In order for the Required Financial Statements to be mailed to the shareholders of CannTrust Holdings sufficiently in advance of an AGM to be held by July 13, 2022, they would have needed to have been completed by late May 2022.

15. While CannTrust Holdings has made appropriate efforts to complete the Required Financial Statements, MNP has advised that it is not possible for the Required Financial Statements to be completed by late May due to the following challenges that it has faced:

(a) CannTrust Holdings has not filed any financial statements since May 2019 and the last financial statements filed by CannTrust Holdings (the 2018 Financial Statements and the 2019 Q1 Financial Statements) require restatement;

(b) due to the significant liquidity challenges that the CannTrust Group faced, it did not direct cash and management resources towards preparing financial statements and MNP continuing its audit prior to the closing of the Investment Transaction in March 2022, a cash conservation measure that was authorized in the Initial Order;

(c) the CannTrust Group significantly reduced its headcount as a cash conservation measure, including in areas relevant to the preparation of the financial statements of CannTrust Holdings such as accounting and operations;

(d) numerous technical accounting issues have arisen as a consequence of the CannTrust Group's prior regulatory issues; and

(e) MNP has faced challenges auditing the opening financial statement balances since those pre-date their appointment as auditor.

Devastating Consequences if CannTrust Holdings is Forced to Call AGM

16. Pursuant to section 258(1)(f) of the OBCA, it is an offence for directors to fail to place the required financial statements before shareholders at an annual meeting of shareholders. Directors who fail to do so are potentially subject to penalties that include fines and imprisonment. Pursuant to section 258(2) of the OBCA, every director or officer that

authorizes, permits or acquiesces in that failure may also commit an offence and is potentially subject to penalties that include fines and imprisonment.

17. Directors may also be subject to potential civil liability for breaching their statutory duties if an annual meeting of shareholders is called without the required financial statements being placed before shareholders.

18. The key officers of CannTrust Holdings (chief executive officer, Greg Guyatt, and chief financial officer, David Blair) and its entire board of directors (Mr. Guyatt and Dan Hogan) have indicated that they would seriously consider resigning their respective positions given the potential for civil and quasi-criminal liability to be imposed upon them if CannTrust Holdings were required to call an AGM without placing the Required Financial Statements before its shareholders.

19. It would be difficult if not impossible to fill these positions with qualified individuals and accordingly there is a high likelihood that the CannTrust Group would no longer be able to continue as a going concern should the requested extension not be granted.

20. This would result in significant prejudice to its approximately 240 employees, the communities of Fenwick and Vaughan in which it operates, the medical and recreational cannabis consumers that rely on its products and the general body of CannTrust Holdings shareholders who would be unlikely to receive much, if any, recovery on the 10% equity interest that was preserved for them at the conclusion of the CCAA Proceedings.

No Prejudice from Proposed Extension

21. Current shareholders will not be prejudiced should the deadline for calling the AGM be extended as, during the period of the requested extension:

(a) CannTrust Holdings will commit to posting the unaudited cash flow forecast and reconciliation that it is required to provide to the DIP and Exit Lender pursuant to the DIP and Exit Loan within 30 days after the end of each calendar quarter on SEDAR;

(b) CannTrust Holdings will comply with its continuous disclosure requirements other than filing financial statements and related documents, such as issuing press releases and other public disclosures as required by applicable law and posting them publicly on SEDAR; and

(c) any trading in CannTrust Holdings' common shares in Canada has been enjoined by the CTO.

22. The checks and balances that an AGM and the delivery of financial statements are intended to provide will be largely in place over the duration of the requested extension. Accordingly, holding an AGM would not result in any material benefit to its shareholders.

23. The Required Financial Statements can be completed by early to mid October 2022 such that it is feasible for CannTrust Holdings to call an AGM by November 30, 2022, if not sooner.

Appropriate to Grant the Requested Extension

24. The Sanction Order provided that, notwithstanding the implementation of the CCAA Plan, CannTrust Holdings remained entitled to seek advice, directions or assistance from this Court. The Sanction Order further provided that the AGM Deadline Extension Order would continue in full force and effect except to the extent that it was varied by any further order of this Court.

25. The Court has the discretion to grant the Proposed AGM Deadline Extension Order pursuant to its inherent jurisdiction.

26. It is appropriate to grant the requested extension. On balance, the requested extension strongly benefits the shareholders of CannTrust Holdings, along with the CannTrust Group and its other stakeholders. It is necessary to allow the CannTrust Group to continue as a going concern.

Notice to Shareholders

27. CannTrust Holdings will provide notice of this motion as follows:

(a) CannTrust Holdings will issue a press release advising of its intention to bring this motion, together with the hearing date and location, at least ten (10) days in advance of the hearing;

(b) CannTrust Holdings will file the press release on SEDAR;

(c) CannTrust Holdings will post its motion record, factum and the videoconference details for the hearing on a public shared folder on Sync.com and include a link to that folder in the above-mentioned press release

(d) the motion record and factum of CannTrust Holdings for this motion will be posted on the Monitor's Website and served on the Service List; and

(e) should the requested order be granted by this Court, CannTrust Holdings will issue a press release advising of the issuance of the order and will file the press release on SEDAR.

28. The above measures will result in this motion coming to the attention of the current shareholders of CannTrust Holdings and is the most practical and cost-effective means of providing such notice.

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

(a) Affidavit of Greg Guyatt sworn June 23, 2022 and exhibits thereto;

(b) Affidavit of David Blair sworn June 23, 2022 and exhibits thereto;

(c) Affidavit of Dan Hogan sworn June 23, 2022 and exhibits thereto; and

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

June 23, 2022

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Lawyers for CannTrust Holdings Inc.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION

(AGM EXTENSION)
RETURNABLE JULY 7, 2022

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MTDOCS 44952495

TAB 2

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

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Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn June 23, 2022)

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

1. I am the Chief Executive Officer ("**CEO**") of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since February 17, 2020. Prior to my appointment as CEO, I served as the Chief Financial Officer ("**CFO**") of CannTrust Holdings since joining CannTrust Holdings on or around February 19, 2019.

2. Through my current role as CEO of CannTrust Holdings, and my former role as CFO, I am familiar with the operations, financial results and strategies of CannTrust Holdings and its subsidiaries, including Phoena Holdings Inc. (collectively, the "**CannTrust Group**"). As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. This affidavit is sworn in support of a motion by CannTrust Holdings for an order, substantially in the form of the draft order included at Tab 5 of the motion record, among

other things, extending the time for it to call an annual meeting of its shareholders until November 30, 2022.

4. All dollar references herein are to Canadian dollars unless otherwise referenced.

(i) Background

5. Phoena, Inc. (formerly CannTrust Inc.) ("**Phoena Opco**"), a member of the CannTrust Group, is a licensed producer of cannabis in Canada.

6. Pursuant to regulatory audits of the CannTrust Group's facilities in June and July 2019, Health Canada determined that the CannTrust Group was growing and storing cannabis contrary to applicable laws.

7. Subsequently, the CannTrust Group ceased sales and production of cannabis, its cannabis licences were partially suspended, and multiple putative securities class actions and other proceedings were commenced against it and other co-defendants in several provinces in Canada and at the federal and state level in the United States (the "**Actions**"), which claimed in excess of $500 million in damages.

A. Financial Statements, CTO and Stock Exchange Listings

8. Due to uncertainty surrounding the financial impact of the Health Canada audits, CannTrust Holdings announced in August 2019 that its historical financial statements, related management's discussion and analysis ("**MD&A**") and annual information form for the period ended December 31, 2018 (the "**2018 Financial Statements**") and the financial statements and MD&A for the period ended March 31, 2019 (the "**2019 Q1 Financial**

Statements") may require restatement and should no longer be relied upon. CannTrust Holdings' former independent auditor, KPMG LLP ("**KPMG**"), withdrew its audit report on the 2018 Financial Statements in August 2019.

9. CannTrust Holdings has not filed any further financial statements since May 2019.

10. On April 13, 2020, CannTrust Holdings received a cease trade order (the "**CTO**") issued by the Ontario Securities Commission (the "**OSC**") as a result of CannTrust Holdings' failure to file certain periodic disclosure required by Ontario securities legislation. A copy of the CTO is attached hereto as **Exhibit "A"**.

11. The CTO prohibits any person or company from directly or indirectly trading in any security of CannTrust Holdings in Ontario and every other province or territory in which CannTrust Holdings is a reporting issuer and in which Multilateral Instrument 11-103 – Failure-to-File Cease Trade Orders in Multiple Jurisdictions applies, subject to certain limited exceptions.

12. In addition, the common shares of CannTrust Holdings were delisted from the Toronto Stock Exchange and New York Stock Exchange.

B. Significant Progress Made During CCAA Proceedings

13. On March 31, 2020, the CannTrust Group sought and obtained relief from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") pursuant to an initial order made under the *Companies' Creditors Arrangement Act* ("**CCAA**") (as amended and restated from time to time, the "**Initial Order**"). A copy of the Initial Order, as amended and restated on April 9, 2020, is attached hereto as **Exhibit "B"**.

14. Prior to and during the course of its proceedings under the CCAA (the "**CCAA Proceedings**"), the CannTrust Group:

(a) investigated the findings of the Health Canada audits, led by a special committee of the board of directors of CannTrust Holdings (the "**Board**");

(b) terminated the former CEO of CannTrust Holdings and demanded the resignation of the chairman of the Board;

(c) completed a comprehensive remediation plan with respect to its production and processing facilities;

(d) obtained the reinstatement of its licences from Health Canada;

(e) restructured its operations, which included down-sizing its workforce, disclaiming various agreements, and engaging with key contractual counterparties to renegotiate their existing arrangements;

(f) resumed production and processing operations and returned to the recreational and medical cannabis markets;

(g) carried out a robust sale and investment solicitation process for the purpose of soliciting interest in and opportunities for a sale of, or investment in, its assets and business operations;

(h) obtained an interim financing and exit credit facility provided by Cortland Credit Lending Corporation (the "**Initial DIP and Exit Lender**"), in the maximum amount of $22.5 million (the "**Initial DIP and Exit Loan**");

(i) settled the Actions and related claims against the CannTrust Group after extensive negotiations facilitated by the Hon. Dennis O'Connor, Q.C. as court-appointed mediator;

(j) reached settlements with its insurers and all other co-defendants in the Actions (except for KPMG, which agreed on certain terms such that it did not oppose the implementation of the other settlements); and

(k) resolved numerous other disputed claims against it, in certain cases with the assistance of the Hon. Frank J.C. Newbould, Q.C. as court-appointed claims officer.

15. A plan of compromise, arrangement and reorganization of CannTrust Holdings, Phoena Opco and Elmcliffe Investments Inc. (as amended and restated from time to time, the "**CCAA Plan**") was developed over the course of many months following extensive negotiations with various stakeholders. At the time the CannTrust Group sought to call meetings to vote on the CCAA Plan, there were seven separate stakeholder groups that opposed it. Further extensive negotiations ensued, settlements and other arrangements were reached, and the CCAA Plan was formally amended on several occasions to address the comments and concerns of these stakeholder groups.

16. The CCAA Plan was overwhelmingly approved by each of the four classes of affected creditors that voted on it in May 2021 and was sanctioned by the Court without opposition on July 16, 2021. A copy of the Sanction Order is attached hereto as **Exhibit "C"**.

C. <u>Reorganization of CannTrust Group</u>

17. In August 2021, the CannTrust Group conducted an internal reorganization with the approval of the Court. The reorganization involved the incorporation of CannTrust Equity Inc. (now Phoena Holdings Inc.) ("**Phoena**") as a wholly-owned Ontario subsidiary of CannTrust Holdings. In addition, all outstanding common shares of Phoena Opco (the operating entity of the CannTrust Group that holds its licences) were transferred from CannTrust Holdings to Phoena in consideration for additional common shares of Phoena. A copy of the Court order dated August 27, 2021 approving the reorganization is attached hereto as **Exhibit "D"**.

18. The intended goal of the internal reorganization was to facilitate the implementation of an equity incentive plan, which would help retain and reward employees using stock options and other incentives rather than cash-based awards while the CTO remained in effect. As such, the reorganization permitted the retention of directors, officers, employees and consultants without using the CannTrust Group's constrained liquidity while the CTO remained in effect.

19. At the time, the CannTrust Group intended that, following revocation of the CTO, CannTrust Holdings would amalgamate with Phoena pursuant to the *Business Corporations Act* (Ontario), with the amalgamated entity becoming a reporting issuer and seeking a listing for its common shares on a Canadian stock exchange.

20. A copy of an organizational chart for the CannTrust Group following the internal reorganization is attached hereto as **Exhibit "E"**.

D. Liquidity Constraints Pose Existential Threat

21. Over the next several months, the CannTrust Group undertook extensive efforts to satisfy the various remaining conditions to implementing the CCAA Plan. On December 2, 2021, the CannTrust Group obtained an order from the United States District Court for the Southern District of New York which approved the settlements reached with the plaintiffs, co-defendants and insurers for the purposes of the class actions commenced in the United States related to the Health Canada audits.

22. During this time, the CannTrust Group and the Canadian cannabis industry in general experienced significant headwinds. The rebuilding of the CannTrust Group's sales and revenue to reach positive cash flow took longer than anticipated as it needed to play "catch-up" with its competitors following the reinstatement of its licences and resumption of its operations. By the fourth quarter of 2021, the CannTrust Group was running out of cash to fund its day-to-day operations and the Initial DIP and Exit Loan was nearly fully drawn.

23. The CannTrust Group took further incremental steps to conserve its remaining cash including the layoff of approximately 40 employees, the deferral of discretionary investments and other non-essential spending and the deferral of certain executive bonuses, among other things. However, cash remained very tight.

24. In late 2021 and early 2022, the CannTrust Group engaged in extensive discussions with potential investors and strategic partners regarding a financing or sale transaction to facilitate the continued operations of its businesses following the implementation of the CCAA Plan. It remained uncertain throughout this period whether such a transaction would

materialize or whether the CannTrust Group would be forced to transition to an orderly wind-down of its business.

25. On December 16, 2021, the CannTrust Group obtained a court order (the "**CCAA Relief Order**") which, among other things, approved steps to facilitate implementation of the CCAA Plan, including certain amendments to the Sanction Order, and continued the Initial Order and CCAA Proceedings following implementation of the CCAA Plan so that ongoing court-supervision was available to approve a refinancing or strategic transaction, if one materialized. A copy of the CCAA Relief Order is attached hereto as **Exhibit "F"**.

26. On January 5, 2022, the CCAA Plan was implemented and the CCAA Proceedings with respect to CTI Holdings (Osoyoos) Inc. were terminated.

27. As planned, upon the implementation of the CCAA Plan, four directors of CannTrust Holdings (Robert Marcovitch, Mitchell Sanders, Mark Dawber and Shawna Page) resigned from the board with immediately effect. The sole directors of CannTrust Holdings are currently myself and Dan Hogan.

28. On January 6, 2022, CannTrust Holdings issued a press release announcing the implementation of the CCAA Plan. However, the press release noted that the CannTrust Group did not have sufficient liquidity to operate beyond the near term and it may need to transition to an orderly wind-down in the event that a financing or strategic transaction could not be finalized. A copy of this press release is attached hereto as **Exhibit "G"**.

29. The dire liquidity situation facing the CannTrust Group was widely reported in the financial press. A copy of an article from *The Globe and Mail* published January 6, 2022 is attached hereto as **Exhibit "H"**.

E. <u>Investment Approval and CCAA Exit</u>

30. Fortunately, the CannTrust Group was ultimately successful in finding new investment partners, led by Marshall Fields International B.V. (the "**Investor**"), a subsidiary of Kenzoll B.V., a Netherlands-based private equity investment company.

31. The CannTrust Group entered into a transaction whereby the Investor, along with Daniel Koehn, Andrew Peppin, Jeffrey Zietlow and myself (collectively, the "**Individual Investors**"), would acquire a 90% equity interest in Phoena in return for aggregate cash proceeds of CAD $11.235 million (the "**Investment Transaction**"). CannTrust Holdings would retain the remaining 10% of the equity in Phoena. The Investor and two of the Individual Investors (in such capacities, the **"Subsequent DIP and Exit Lenders**") also agreed to provide interim financing of $5.5 million to finance the CannTrust Group's operations until the closing of the Investment Transaction (the "**Subsequent DIP and Exit Loan**"), which is convertible into shares of Phoena at the same price as the initial investment.

32. The Investor requested that I make a small personal investment in Phoena as part of the Investment Transaction. In response to that request, I invested $200,000 to acquire Phoena common shares, at the same price per share being paid by the Investor.

33. On February 25, 2022, the CannTrust Group obtained a court order (the "**Investment Approval Order**") which, among other things, approved the Investment Transaction and

other matters related to the emergence of the CannTrust Group from the CCAA Proceedings. A copy of the Investment Approval Order is attached hereto as **Exhibit "I"**.

34. On February 25, 2022, CannTrust Holdings issued a press release announcing the Investment Transaction and the Investment Approval Order. The CannTrust Group disclosed that, at the time, it intended to work towards applying to the OSC for an order revoking the CTO which would require, among other things, the filing and/or restating of audited financial statements and the preparation of certain other public disclosures that are required by applicable securities laws. A copy of this press release is attached hereto as **Exhibit "J"**.

35. On March 15, 2022, the Investment Transaction was completed and the CCAA Proceedings with respect to CannTrust Holdings, Phoena Opco and Elmcliffe Investments Inc. were terminated.

36. Pursuant to the Investment Transaction, CannTrust Holdings, Phoena, the Investor, and the Individual Investors entered into a unanimous shareholder agreement (the "**USA**"). Among other things, the USA provides the Investor with the right, exercisable for 18 months from completion of the Investment Transaction, to elect to cause the exchange of its shares in Phoena for shares in CannTrust Holdings (the "**Share Exchange Option**"), such that, following the exercise of the Share Exchange Option, the Investor would hold 90% of the common shares of CannTrust Holdings. The exercise of the Share Exchange Option is conditional upon, among other things, the revocation of the CTO.

37. On March 15, 2022, CannTrust Holdings issued a press release announcing the completion of the Investment Transaction. The CannTrust Group disclosed that it intended to explore alternatives for either applying to the OSC for an order revoking the CTO or for

taking steps to obtain a stock exchange listing for the common shares of Phoena. A copy of this press release is attached hereto as **Exhibit "K"**.

38. On May 3, 2022, Phoena changed its corporate name from CannTrust Equity Inc. to Phoena Holdings Inc., and changed the name of CannTrust Inc. to Phoena Inc., as part of an overall re-branding of the CannTrust Group following its emergence from the CCAA Proceedings. In its press release announcing this change, the CannTrust Group disclosed that it was continuing to review alternatives for becoming a reporting issuer and obtaining a stock exchange listing for the common shares of Phoena, and would provide further updates on this initiative as they became available. A copy of this press release is attached hereto as **Exhibit "L"**.

F. Reporting Relief

39. During the course of the CCAA Proceedings, the Court granted two important orders with respect to certain reporting requirements which allowed the CannTrust Group to reduce costs, preserve its resources and focus on restructuring its business.

40. First, the Initial Order authorized the decision by the CannTrust Group to incur no further expenses in relation to any financial statements, press releases or other securities filings (the "**Securities Reporting Relief**"). The Initial Order provided, in relevant part:

> 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.

41. Second, the Court granted an order on September 16, 2020 (the "**AGM Deadline Extension Order**") which, among other things, extended the time for CannTrust Holdings to call an annual general meeting of its shareholders (an "**AGM**") to a date no later than 120 days after the expiry or termination of the Stay Period (as defined in the Initial Order). A copy of the AGM Deadline Extension Order is attached as **Exhibit "M"**.

42. The Sanction Order and the Investment Approval Order provided that the Securities Reporting Relief and the AGM Deadline Extension Order would, notwithstanding the implementation of the CCAA Plan and the CannTrust Group's exit from the CCAA Proceedings, continue in full force and effect for 120 days after the expiry or termination of the Stay Period, except to the extent that they were varied.

(ii) AGM Deadline Extension

A. <u>AGM Requirements</u>

43. Under section 94(1) of the OBCA, CannTrust Holdings is required to hold an AGM no later than fifteen months after its last AGM. CannTrust Holdings last held an AGM on June

20, 2019, meaning CannTrust Holdings would have been required to hold its next AGM on or before September 20, 2020.

44. Pursuant to the AGM Deadline Extension Order, this was extended to 120 days after CannTrust Holdings exited CCAA Proceedings. CannTrust Holdings exited CCAA Proceedings on March 15, 2022 and accordingly it is currently required to hold an AGM by July 13, 2022.

45. Under section 154(1) of the OBCA, CannTrust Holdings is required to prepare and place certain financial statements and other information before the shareholders at each AGM.

B. Potential Liability

46. Pursuant to section 258(1)(f) of the OBCA, it is an offence for directors to fail to place the required financial statements before shareholders at an annual meeting of shareholders. Directors who fail to do so are potentially subject to penalties that include fines and imprisonment. Pursuant to section 258(2) of the OBCA, every director or officer that authorizes, permits or acquiesces in that failure may also commit an offence and is potentially subject to penalties that include fines and imprisonment.

47. Directors may also be subject to potential civil liability for breaching their statutory duties if an annual meeting of shareholders is called without the required financial statements being placed before shareholders.

48. As set out in further detail in the Affidavit of David Blair, sworn June 23, 2022 (the "**Blair Affidavit**"), the auditors of CannTrust Holdings – MNP LLP – advised that it was not

possible for them to complete the Required Financial Statements (as defined in the Blair Affidavit) by late May in order for CannTrust Holdings to call an AGM by July 13, 2022.

49. Given the potential for civil and quasi-criminal liability to be imposed upon me as a director of CannTrust Holdings if it is required to call an AGM without placing the Required Financial Statements before its shareholders, I would seriously consider resigning my position as a director and officer of CannTrust Holdings before any such meeting were held.

SWORN BEFORE ME remotely by videoconference on this 23rd day of June, 2022 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. The affiant was located in the City of Mississauga, in the Province of Ontario, and the Commissioner was located in the City of Toronto, in the Province of Ontario.

Greg Guyatt

N Rambaran

A Commissioner for taking Affidavits
Name: Natasha Rambaran (LSO# 80200N)

TAB A

This is Exhibit **"A"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8 | CP 55, 22e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF

CANNTRUST HOLDINGS INC. (the Issuer)

AND

IN THE MATTER OF

GREGORY GUYATT, ROBERT MARCOVITCH, IAN ABRAMOWITZ, STANLEY ABRAMOWITZ, MARK LITWIN, MARK DAWBER, JOHN KADEN, SHAWNA PAGE AND MITCHELL SANDERS

CEASE TRADE ORDER
Under the securities legislation of Ontario (Legislation)

Background

1. This is the order of the Ontario Securities Commission (the **Decision Maker**).

2. The Issuer has not filed the following periodic disclosure required by the Legislation:

   - audited annual financial statements for the year ended December 31, 2019;
   - management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2019;
   - annual information form for the year ended December 31, 2019;
   - interim financial statements for the periods ended June 30 and September 30, 2019;
   - management's discussion and analysis relating to the interim financial statements for the periods ended June 30 and September 30, 2019;
   - certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

3. On August 15, 2019 the Director made an order (the **MCTO**) under paragraph 2 and paragraph 2.1 of subsection 127(1) of the *Securities Act* (Ontario) (the **Act**) that, effective immediately, all trading in and all acquisitions of the securities of the Issuer, whether direct or indirect, by Gregory Guyatt, Robert Marcovitch, Ian Abramowitz, Stanley Abramowitz, Mark Litwin, Mark Dawber, John Kaden, Shawna Page and Mitchell Sanders shall cease until two full business days following the receipt by the Commission of all filings the Issuer is required to make under Ontario securities law, or further order of the Director.

4. As a result of this order, if the Issuer is a reporting issuer in a jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies, a person or company must not trade in or purchase a security of the Issuer in that jurisdiction,

except in accordance with the conditions that are contained in this order, if any, for so long as this order remains in effect.

5. Further, this order takes automatic effect in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

Interpretation

Terms defined in the Legislation, National Instrument 14-101 *Definitions* or National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Order

6. It is ordered pursuant to section 144 of the Act that the MCTO is revoked.

7. The Decision Maker is satisfied that the decision concerning the cease trade meets the test set out in the Legislation to make this decision.

8. It is ordered under the Legislation that trading, whether direct or indirect, cease in respect of each security of the Issuer.

9. Despite this order, a beneficial security holder of the Issuer who is not, and was not at the date of this order, an insider or control person of the Issuer, may sell securities of the Issuer acquired before the date of this order if both of the following apply:

   (a) the sale is made through a “foreign organized regulated market”, as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and

   (b) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

10. (a) In this section,

   “CDCC” means the Canadian Derivatives Clearing Corporation,

   “specified put contract” means a put option contract that
   - (i) permits the holder to sell to the writer of the option a specified number of shares of the Issuer at a specific price, on or before the date or the event specified in the option,
   - (ii) is outstanding as of the date of this order, and
   - (iii) was issued and will be cleared by the CDCC.

   (b) Despite this order, subject to paragraph (c):
   - (i) a holder of a specified put contract may exercise the specified put contract and sell the underlying shares of the Issuer under the terms of the specified put contract;

(ii) a seller of a specified put contract may perform its obligation to purchase shares of the Issuer under the terms of the specified put contract;

(iii) the CDCC and its members may carry out their respective obligations under the rules of the CDCC, including all requisite acts in furtherance of a trade described in (i) or (ii).

(c) Paragraph (b) cannot be relied on by a person or company to which either or both of the following apply:

(i) who is or was at the date of this order an insider or control person of the Issuer;

(ii) did not, as of the date of this Order, own a sufficient number of shares of the Issuer to make delivery under the terms of the specified put contract.

DATED at Toronto this 13th day of April, 2020.

Ontario Securities Commission

"Marie-France Bourret"

Marie-France Bourret
Manager
Corporate Finance Branch

TAB B

This is Exhibit **"B"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
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

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Email: asteele@mccarthy.ca
Lawyers for the Applicants

DOC#: 19528138

TAB C

This is Exhibit **"C"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 16TH
JUSTICE PATTILLO	)	DAY OF JULY, 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

SANCTION ORDER

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, among other things, approving and sanctioning the fourth amended and restated plan of compromise, arrangement and reorganization of CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") pursuant to the CCAA and the *Business Corporations Act* (Ontario) dated July 7, 2021 (the "**CCAA Plan**"), a copy of which is attached hereto as Schedule "A", was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the materials filed by the Applicants, Ernst & Young Inc. in its capacity as monitor of the Applicants (the "**Monitor**") and certain respondents listed in **Schedule "D"** hereto (the "**Motion Materials**") and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

A. SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Materials be and are 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 in this Sanction Order and not expressly defined herein shall have the meanings given to them in the CCAA Plan or, if not therein defined, then as given to them in the Meeting Order of the Honourable Mr. Justice Hainey made in these proceedings and dated April 16, 2021 (the "**Meeting Order**").

B. NOTICE AND CONDUCT OF MEETING

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service, and delivery of the CCAA Plan, the Meeting Order, the GUC Meetings Materials and the Securities Claimant Meeting Materials to all Persons upon which notice, service, and delivery were required.

4. **THIS COURT ORDERS AND DECLARES** that the Meetings were duly convened, held, and conducted on May 28, 2021 in accordance with the Meeting Order, the CCAA and all other Orders of the Court in these CCAA Proceedings.

C. SANCTION OF THE CCAA PLAN

5. **THIS COURT ORDERS AND DECLARES** that:

(a) the CCAA Plan has been approved by the required majorities of the Affected Creditors in conformity with the Meeting Order and the CCAA;

(b) the Applicants have complied with the provisions of the CCAA and the Orders of the Court made in these CCAA Proceedings in all respects;

(c) the Applicants have acted, and continue to act, in good faith and with due diligence, and have not done or purported to do anything, nor does the CCAA

Plan do or purport to do anything, that is not authorized by the CCAA or the Orders of the Court in these CCAA Proceedings;

(d) the CCAA Plan and all of the matters and transactions contemplated thereby are fair and reasonable; and

(e) the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby are hereby sanctioned and approved pursuant to section 6 of the CCAA.

6. **THIS COURT ORDERS** that, without limitation to paragraph 5 of this Sanction Order, the Allocation and Distribution Scheme is hereby approved.

D. PLAN IMPLEMENTATION

Authorization to Implement the CCAA Plan

7. **THIS COURT ORDERS** that:

(a) each of the CannTrust Plan Companies and the Monitor, as applicable, is hereby authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA (as defined below) and the Additional RSAs in accordance with and subject to their respective terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA (as defined below) and the Additional RSAs;

(b) all distributions and payments under the CCAA Plan shall be free and clear of all claims, rights and interests of any Person other than the recipient, including, without limitation, all Encumbrances; and

(c) none of the CannTrust Plan Companies nor the Monitor shall incur any liability as a result of acting in accordance with the terms of the CCAA Plan and this Sanction Order.

Articles of Reorganization

8. **THIS COURT ORDERS** that CannTrust Holdings shall seek approval of the proposed Articles of Reorganization on or before the Plan Implementation Date and the articles of CannTrust Holdings will be amended as set out in such approved Articles of Reorganization as of the Effective Time.

9. **THIS COURT ORDERS AND DECLARES** that all warrants, options and agreements to purchase Existing Shares are of no further force or effect as of the Effective Time.

Plan Implementation Certificates

10. **THIS COURT ORDERS** that, upon receipt of the Certificate of Amendment for CannTrust Holdings, the Applicants shall deliver to the Monitor a certificate (the "**Applicants' Certificate**") (i) stating that each of the Plan Implementation Conditions has been satisfied or waived and that the Articles of Reorganization for 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. The Applicants shall file the Applicants' Certificate with this Court as soon as reasonably practicable following delivery thereof to the Monitor.

11. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed, as soon as practicable following receipt of the Applicants' Certificate, to serve on the service list in these CCAA Proceedings (the "**Service List**") and post on the website established by the Monitor in respect of these proceedings (the "**Monitor's Website**") a certificate in the form attached hereto as Schedule "B" (the "**Monitor's Plan Implementation Certificate**"), signed by the Monitor, certifying that the Plan Implementation Date has occurred. The Monitor shall file the Monitor's Plan Implementation Certificate with this Court as soon as reasonably practicable following delivery thereof to the Service List.

Restructuring Steps

12. **THIS COURT ORDERS** that the Restructuring Steps to be taken and the transactions, arrangements, reorganizations, transfers, assignments, compromises, settlements, payments, discharges, injunctions and releases to be effected on the Plan Implementation Date are hereby authorized and approved and are and shall be deemed to occur and be effected in accordance with the terms of the CCAA Plan (and, to the extent applicable, in the sequence and at the times contemplated by the CCAA Plan), without any further act or formality.

Settlement and Securities Claimant Trust Matters

13. **THIS COURT ORDERS** that the Applicants and the CCAA Representatives are hereby authorized, *nunc pro tunc*, to enter into the restructuring support agreement made as of May 5, 2021 between the Applicants, the CCAA Representatives, Zola Finance Holdings Ltd. and Igor Gimelshtein, a copy of which is attached as Exhibit "L" to the Affidavit of Serge Kalloghlian affirmed June 2, 2021 (the "**Zola RSA**").

14. **THIS COURT ORDERS** that the Applicants and CCAA Representatives (i) are hereby authorized to enter into one or more Additional RSAs with the Insurers and Peter Aceto and a supplemental Additional RSA with Ian Abramowitz, in each case on terms substantially consistent with the proposed arrangements described in the Affidavit of Serge Kalloghlian affirmed June 16, 2021, and (ii) are hereby authorized, *nunc pro tunc*, to enter into the Additional RSAs described in the Affidavit of Serge Kalloghlian affirmed June 2, 2021.

15. **THIS COURT ORDERS** that the Trustees are hereby authorized and directed:

(a) to execute a joinder agreement in order to become a party to the Zola RSA on or before the Plan Implementation Date;

(b) to execute one or more joinder agreements in order to become a party to the RSA or Additional RSAs on or before the Plan Implementation Date if the Trustees determine, in their sole discretion, that it is necessary or appropriate to do so in order to carry out the terms of the CCAA Plan; and

(c) to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA and the Additional RSAs in accordance and subject to their respective terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the respective terms and conditions of, the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA and the Additional RSAs.

16. **THIS COURT ORDERS** that the Applicants shall have no responsibility or liability for the administration of the Securities Claimant Trust and the Allocation and Distribution Scheme, including without limitation the costs and expenses of the Securities Claimant Trust and the Trustees and the allocation and distribution of the funds and other property in the Securities Claimant Trust from time to time.

E. EFFECT OF PLAN IMPLEMENTATION

Effect on Affected Claims

17. **THIS COURT ORDERS AND DECLARES** that, as at the Effective Time, the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby will be binding and effective upon and with respect to the CannTrust Plan Companies, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the CCAA Plan or the Sanction Order.

18. **THIS COURT ORDERS** that each Affected Creditor is hereby deemed to have consented to all of the provisions of the CCAA Plan, in its entirety, and each Affected Creditor is hereby deemed to have executed and delivered to the CannTrust Plan Companies all consents, releases, assignments and waivers, statutory or other, required to implement and carry out the CCAA Plan in its entirety.

19. **THIS COURT ORDERS** that, as at the Effective Time, any and all Affected Claims (other than Insured Securities Claims) shall be and shall be deemed to be fully, finally,

irrevocably and forever compromised, released, discharged and barred, and the ability of any Person to proceed against any of the CannTrust Plan Companies in respect of or relating to any Affected Claims, whether directly, indirectly, derivatively or otherwise is hereby forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Affected Claims are hereby permanently stayed, excepting only any proceeding to enforce the obligation of the CannTrust Plan Companies to make distributions and payments in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan and this Sanction Order.

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

Releases and Injunctions

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

22. **THIS COURT ORDERS** that, as at the Effective Time, all Persons shall be and shall be deemed to be permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released

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

23. **THIS COURT ORDERS** that, from and after the Effective Time, the recovery of Securities Claimants from a Non-Settlement Party with which any Settlement Party is judicially determined to be jointly and severally liable shall be limited to only that proportion of damages attributable to the liability of the Non-Settlement Party, as finally determined in the Actions.

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

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

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

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

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

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

26. **THIS COURT ORDERS** that each Settlement Party retains all rights to oppose such motion(s) brought under paragraph 25 of this Sanction Order. Moreover, nothing herein restricts a Settlement Party from seeking a protective order to maintain confidentiality and protection of proprietary information in respect of documents to be produced and or for information obtained from discovery in accordance with paragraph 25 of this Sanction Order. Notwithstanding any provision in this Sanction Order, on any motion brought pursuant to paragraph 25 of this Sanction Order, the applicable court may make such orders as to costs and other terms as it considers appropriate.

27. **THIS COURT ORDERS** that a Co-Defendant may effect service of the motion(s) referred to in paragraph 25 of this Sanction Order above on the Settlement Party by service on counsel for the Settlement Party.

28. **THIS COURT ORDERS** that, from and after the Effective Time, each Person having a Channelled Claim will be limited to recovering from the Securities Claimant Trust in respect of such Channelled Claim in accordance with the CCAA Plan and Definitive Documents and, if applicable, from any Person who is not a Released Party, and such Person with a Channelled Claim will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Channelled Claim, provided that this Sanction Order will not prevent a Person with an Insured Securities Claim or Insured Securities-Related Claim from

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

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

30. **THIS COURT ORDERS** that, in respect of each Action, the applicable Securities Claimants who are plaintiffs in such Action are hereby authorized and directed to dismiss the Action as against the Settlement Parties without delay after the Plan Implementation Date, and

the applicable court is hereby requested to dismiss such Action against the Settlement Parties without costs.

Assigned Claims

31. **THIS COURT ORDERS** that, as of the Effective Time:

(a) all of the rights and obligations of CannTrust Holdings and each Settlement Party to and in respect of the Assigned Claims shall be assigned to and assumed by the Securities Claimant Trust and such assignment is valid and binding upon the applicable Non-Settlement Parties in respect of such Assigned Claims notwithstanding any restriction or prohibition contained in any insurance policy, audit engagement letter or other agreement relating to the assignment thereof (an "**Assigned Claims Related Agreement**"), including any provision requiring the consent of any party to an assignment;

(b) the counterparties to the Assigned Claims Related Agreements are prohibited from exercising any rights or remedies under the Assigned Claims Related Agreements and shall be forever barred, estopped, stayed and enjoined from taking such action, by reason of:

(i) any restriction, condition or prohibition contained in any such Assigned Claim Related Agreement relating to the assignment of the applicable Assigned Claim(s);

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

(iii) the insolvency of any of the Applicants or the fact that any of the Applicants sought or obtained relief under the CCAA;

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

(v) any change in the control of the Applicants arising from the implementation of the CCAA Plan; and

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

32. **THIS COURT ORDERS** that nothing in the CCAA Plan or this Sanction Order limits the right of any defendant to an Assigned Claim to plead any defences that would be available to them absent the CCAA Plan or this Sanction Order.

33. **THIS COURT ORDERS** that nothing in the CCAA Plan or this Sanction Order affects the jurisdiction of the court in the exercise of its case management powers or under the Rules of Civil Procedure to make any appropriate order affecting the conduct of the Assigned Claims, including referring any such claims to arbitration. In the event that an Assigned Claim proceeds by arbitration, nothing in the CCAA Plan or this Sanction Order affects the jurisdiction of an arbitrator or arbitral panel to make any appropriate order affecting the conduct of the Assigned Claims. For greater certainty, the Sanction Order does not limit KPMG LLP's ability to rely on any term in its engagement letter or terms and conditions with CannTrust Holdings or the Securities Claimant Trust's ability to dispute such reliance.

Existing Agreements

34. **THIS COURT ORDERS AND DECLARES** that all contracts, leases and other agreements and arrangements to which any of the Applicants or Cannabis Coffee and Tea Pod Company Ltd., Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and O Cannabis We Stand on Guard for Thee Corporation (each, an "**Affected Party**" and collectively, the "**Affected Parties**") is a party, whether written or oral (each, including any and all amendments or supplements thereto, an "**Existing Agreement**") that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time (except for all Affected Claims and Released Claims thereunder that have been compromised and released), and no Person who is a party to any such Existing Agreement may accelerate, terminate, rescind,

refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Existing Agreement and no automatic termination will have any validity or effect, as against any member of the CannTrust Group, any Affected Party or any Released Party that is a party to such Existing Agreement, by reason of:

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

(b) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;

(c) any compromises or arrangements effected pursuant to the CCAA Plan (including the compromise or release of any Claim arising under such Existing Agreement) or any action taken or transaction effected pursuant to the CCAA Plan; or

(d) any change in the control of the Applicants or the Affected Parties arising from the implementation of the CCAA Plan,

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

Effect on Unaffected Claims

35. **THIS COURT ORDERS** that:

(a) the designation of any claim as an Unaffected Claim is without prejudice to the CannTrust Plan Companies' right to dispute the existence, validity or quantum of any Unaffected Claim; and

(b) nothing in this Sanction Order or the CCAA Plan shall affect or waive the CannTrust Plan Companies' rights and defences, both legal and equitable, with respect to any Unaffected Claim, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Unaffected Claim.

Bankruptcy

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

Stay of Proceedings, Ongoing Effect of Orders Made in these CCAA Proceedings and Conflict with the CCAA Plan

37. **THIS COURT ORDERS** that:

(a) the Stay Period (as defined in the Initial Order) be and is hereby extended until the earlier of: (i) the Effective Time; and (ii) September 3, 2021;

(b) paragraphs 63 and 64 of the Amended and Restated Initial Order issued in these proceedings and dated April 9, 2020 shall continue in full force and effect in accordance with their respective terms for the duration of the AGM Extension (as defined below);

(c) other than as expressly set out herein, the provisions of the Initial Order shall terminate at the Effective Time except with respect to the protections granted therein in favour of the Monitor; and

(d) all other Orders of the Court made in these CCAA Proceedings shall continue in full force and effect in accordance with their respective terms including, without limiting the generality of the foregoing, (i) paragraph 2 of the Order (re: AGM Deadline Extension) issued in these proceedings and dated September 16, 2020 (the "**AGM Extension**") and (ii) the Order (CCAA Representatives and CCAA Representative Counsel Appointment Order) issued in these proceedings and dated January 29, 2021, except to the extent that such Orders are varied by or are inconsistent with this Sanction Order or any further Order of this Court in these CCAA Proceedings.

38. **THIS COURT ORDERS** that, from and after the Effective Time, any conflict between:

(a) the CCAA Plan; and

(b) the terms of any Agreement existing between any Person and the Applicants as at the Plan Implementation Date (including, without limitation, the RSA, the Zola RSA and any Additional RSA),

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

Termination of SISP and Mediation Process

39. **THIS COURT ORDERS** that the sale and investment solicitation process (the "**SISP**") approved by this Court pursuant to the Sale and Investment Solicitation Process Order dated May 8, 2020 (the "**SISP Order**") is hereby terminated.

40. **THIS COURT ORDERS** that the mediation process (the "**Mediation Process**") approved by this Court pursuant to the Mediation Order dated May 8, 2020 (the "**Mediation Order**") is hereby terminated.

41. **THIS COURT ORDERS** that the Court-Appointed Mediator (as defined in the Mediation Order) is hereby discharged from his duties, obligations and responsibilities as Court-Appointed Mediator and is hereby forever released, remised and discharged from any claims against him relating to his activities as Court-Appointed Mediator.

42. **THIS COURT DECLARES** that, notwithstanding the termination of the SISP and the Mediation Process, the protections afforded to the Monitor, the CRO, Greenhill & Co. Canada Ltd. and the Court-Appointed Mediator and their respective affiliates, partners, directors, employees, agents and controlling persons pursuant to the terms of the SISP Order, the Mediation Order and the other Orders made in the CCAA Proceedings, as applicable, shall not expire or terminate and, subject to the terms hereof, shall remain effective and in full force and effect.

Termination of CCAA Proceedings of CTI Holdings (Osoyoos) Inc.

43. **THIS COURT ORDERS** that upon the filing of the Monitor's Plan Implementation Certificate:

(a) the CCAA Proceedings in respect of CTI Holdings (Osoyoos) Inc. ("**CTI**") shall be terminated effective as of the Effective Time; and

(b) 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.

44. **THIS COURT ORDERS** that any Person that did not file a proof of claim in respect of a Pre-Filing Claim, Restructuring Claim or D&O Claim (as each such term is defined in the Claims Procedure Order) against CTI (each, a "**CTI Claim**") by the applicable bar date in accordance with the Claims Procedure Order, shall be and is hereby fully, finally, irrevocably and forever barred, estopped, stayed and enjoined from making any such CTI Claim, and such Person's CTI Claim shall be and is hereby fully, finally, irrevocably and forever barred and extinguished.

F. CCAA CHARGES

45. **THIS COURT ORDERS** that:

(a) the Administration Charge (as provided for and defined in the Initial Order) shall continue to apply as against the Administration Reserve and shall be terminated, discharged, expunged and released upon the filing of the Monitor's Discharge Certificate (as defined below);

(b) the Directors' Charge, the KERP 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 Effective Time;

(c) the DIP Lender's Charge (as provided for and defined in the DIP Approval Order dated April 30, 2021 in the CCAA Proceedings) shall be terminated, discharged, expunged and released as at the 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 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 Applicants.

G. APPLICANTS AND COURT-APPOINTED PARTIES

Conduct of the Directors and CRO of the Applicants

46. **THIS COURT ORDERS AND DECLARES** that the activities and conduct of the CRO and Directors of the Applicants in these CCAA Proceedings, as disclosed in the affidavits filed with the Court on behalf of the Applicants from time to time and the reports of the Monitor to the Court from time to time, be and are hereby ratified and approved.

47. **THIS COURT DECLARES** that the protections afforded to the CRO pursuant to the terms of the Initial Order and the other Orders made in the CCAA Proceedings shall not expire

or terminate on the Plan Implementation Date and, subject to the terms hereof, shall remain effective and in full force and effect.

The Monitor

48. **THIS COURT ORDERS AND DECLARES** that the Monitor has complied with the provisions of the CCAA and the Orders of this Court made in these CCAA Proceedings in all respects.

49. **THIS COURT ORDERS AND DECLARES** that the Monitor has not done or purported to do anything that is not authorized by the CCAA.

50. **THIS COURT ORDERS AND DECLARES** that the activities and conduct of the Monitor and its representatives in these CCAA Proceedings, as disclosed in its reports to the Court from time to time, including, without limitation, in relation to conducting and administering the Meetings, be and are hereby ratified and approved, and that the Monitor has satisfied all of its obligations up to and including the date of this Sanction Order and all claims of any kind or nature against the Monitor arising from or relating to the services provided to the Applicants up to and including the date of this Sanction Order are hereby barred and extinguished.

51. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, under the CCAA Plan and under the other Orders of this Court, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the CCAA Plan to facilitate the implementation of the CCAA Plan and to complete all matters incidental to the termination of these CCAA Proceedings.

52. **THIS COURT ORDERS** that:

(a) in carrying out the terms of this Sanction Order and the CCAA Plan, the Monitor shall have all the protections given to it by the CCAA and the other Orders in these CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour;

(b) the Monitor shall incur no liability or obligation for any act or omission as a result of carrying out any duties or work in connection with the Sanction Order and/or the CCAA Plan, save and except for any gross negligence or wilful misconduct on its part;

(c) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and

(d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

53. **THIS COURT ORDERS AND DECLARES** that any payments or deliveries under the CCAA Plan or this Sanction Order made or assisted by the Monitor shall not constitute a "distribution" and the Monitor shall not constitute a "legal representative" or "representative" of the Applicants or "other person" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 46 of the *Employment Insurance Act* (Canada), section 22 of the *Retail Sales Tax Act* (Ontario), section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Statutes**"), and the Monitor in making any such payments or deliveries of funds or assets in relation to the CCAA Plan is not "distributing", not shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for making any payments or deliveries under the CCAA Plan or failing to withhold amounts, ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against it under or pursuant to the Statutes or otherwise at law, arising as a result of the distributions and deliveries under the CCAA Plan and this Sanction Order and any claims of this nature are hereby forever barred.

54. **THIS COURT ORDERS** that upon: (i) fulfillment of the Monitor's duties under the Claims Procedure Order, the Meeting Order and this Sanction Order; and (ii) the Monitor receiving an acknowledgement of payment in full of the claims secured by the Administration

Charge, the Monitor shall serve on the Service List, post on the Monitor's website, and file with the Court a certificate substantially in the form attached hereto as Schedule "C" (the "**Monitor's Discharge Certificate**"), and that, upon the filing of the Monitor's Discharge Certificate, Ernst & Young Inc. shall be deemed to be discharged 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.

Fee Approval

55. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from January 9, 2021 to May 14, 2021, inclusive, as set out in the Eleventh Report of the Monitor dated June 2, 2021 (the "**Eleventh Report**"), are hereby approved.

56. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, in its capacity as counsel to the Monitor, for the period from January 4, 2021 to April 30, 2021, inclusive, as set out in the Eleventh Report, are hereby approved.

57. **THIS COURT ORDERS** that the Monitor and its counsel shall not be required to pass any further accounts in these CCAA Proceedings unless otherwise requested by the Applicants.

CCAA Representatives and CCAA Representative Counsel

58. **THIS COURT ORDERS** that, without limitation to the terms of the CCAA Representation Order, the CCAA Representatives and CCAA Representative Counsel are hereby authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA and the Additional RSAs in accordance with and subject to their respective terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan, the Allocation and Distribution Scheme, the RSA, the RSA Supplemental Letter Agreement, the Zola RSA and the Additional RSAs (the "**CCAA Representative Work**").

59. **THIS COURT ORDERS** that the CCAA Representatives and CCAA Representative Counsel shall incur no liability or obligation as a result of carrying out the CCAA Representative Work, save and except for any gross negligence or wilful misconduct on their part.

60. **THIS COURT DECLARES** that the protections afforded to the CCAA Representatives and CCAA Representative Counsel pursuant to the terms of the CCAA Representation Order and the other Orders made in the CCAA Proceedings shall not expire or terminate on the Plan Implementation Date and, subject to the terms hereof, shall remain effective and in full force and effect.

Claims Officers

61. **THIS COURT ORDERS** that the Claims Officer (as defined in the Order (Claims Officer) made in these proceedings and dated February 19, 2021) is hereby discharged from his duties, obligations and responsibilities as Claims Officer and is hereby forever released, remised and discharged from any claims against him relating to his activities as Claims Officer.

H. LATE CLAIMS

62. **THIS COURT ORDERS** that the Monitor is authorized, in its discretion, to accept the Proofs of Claim identified in the Tenth Report of the Monitor dated May 21, 2021 as having been received subsequent to the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date (as each term is defined in the Claims Procedure Order), as applicable ("**Late Claims**"), which Late Claims shall be reviewed by the Monitor in accordance with the Claims Procedure Order for the purposes of determining whether such Late Claims are Proven Claims.

I. SEALING

63. **THIS COURT ORDERS** that the Confidential Affidavit of Serge Kalloghlian affirmed June 2, 2021 shall be sealed, kept confidential and shall not form part of the public record until the Effective Time, unless otherwise ordered by the Court.

J. RECOGNITION AND NOTICE

Notice

64. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Sanction Order, the Monitor shall cause a copy of this Sanction Order to be posted on the Monitor's Website, and the Applicants shall serve a copy on the parties on the Service List and those parties who appeared at the hearing of the motion for this Sanction Order. From and after the Effective Time, any notices, motions or documents which may be filed with the Court need only be served on the Applicants, the Monitor, the parties on the Service List and such Persons who deliver a Notice of Appearance to the Applicants and the Monitor, and file it with the Court, after the Effective Time.

65. **THIS COURT ORDERS** that the measures in paragraph 64 shall constitute good and sufficient service and notice of this Sanction Order on all Persons who may be entitled to receive notice thereof or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings.

General Provisions

66. **THIS COURT ORDERS** that, notwithstanding any other provision of this Sanction Order, the Applicants and the Monitor shall remain entitled to seek advice, directions or assistance from the CCAA Court in respect of any matters arising from or in relation to the CCAA Plan.

67. **THIS COURT ORDERS AND DECLARES** that, pursuant to section 142 of the *Courts of Justice Act* (Ontario), no Person shall be liable for any act done in good faith in accordance with any Order issued in this proceeding, and any person who takes any action whatsoever in reliance on this Sanction Order prior to the commencement of any appeal hereof or the expiry of any appeal period shall not be prejudiced or harmed in any manner by any such subsequent appeal.

68. **THIS COURT ORDERS** that this Sanction 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.

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

70. **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, or abroad, to give effect to this Sanction Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Sanction Order and the CCAA Plan. 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 Sanction Order and the CCAA Plan or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Sanction Order and the CCAA Plan.

Penny, J.

SCHEDULE "A"

Fourth Amended and Restated Plan of Compromise, Arrangement and Reorganization

See attached.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

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

July 7, 2021

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FOURTH AMENDED & RESTATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the CCAA Plan:

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

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

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

(i) Brady Green;

(ii) Ian Abramowitz;

(iii) the Underwriters;

(iv) Eric Paul and the Paul Family Trust;

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

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

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

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

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

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

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

"**Applicable Law**" means:

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

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

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

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

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

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

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

"**CannTrust Group**" means the applicants in the CCAA Proceedings.

"**CannTrust Holdings**" means CannTrust Holdings Inc.

"CannTrust Opco" means CannTrust Inc.

"CannTrust Plan Companies" means CannTrust Holdings, CannTrust Opco and Elmcliffe.

"**Cash Contributions**" means, collectively:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“CTI” means CTI Holdings (Osoyoos) Inc.

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

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

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

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

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

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

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

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

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

“**Election Amount**” means $2,500.

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

"Elmcliffe" means Elmcliffe Investments Inc.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Non-Released CannTrust Claims**” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

but excluding Non-Released CannTrust Claims and Channelled Claims.

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

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

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

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

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

(i) any of the Actions;

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

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

but excluding Non-Released CannTrust Claims and Channelled Claims.

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

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

"Restructuring Steps" is defined in Section 4.6.

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

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

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

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

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

"**Securities Claim**" means:

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

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

other than a Securities-Related Indemnity Claim.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 **Certain Rules of Interpretation**

For the purposes of the CCAA Plan:

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

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

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

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

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

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

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

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

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

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

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

1.3 **Successors and Assigns**

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

1.4 **Governing Law and Jurisdiction**

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

1.5 **Schedules**

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

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

ARTICLE 2
PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 Purpose

The purposes of the CCAA Plan are to:

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

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

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

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

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

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

2.2 Affected Claims and Released Claims

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

2.3 Unaffected Claims

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

(a) Claims secured by the CCAA Charges;

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

(c) CCAA Priority Payment Claims;

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

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

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

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

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

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

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

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

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

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

2.4 **Equity Claims**

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

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

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

ARTICLE 3
CLASSIFICATION AND TREATMENT OF AFFECTED CREDITORS AND RELATED MATTERS

3.1 **Claims Procedure**

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

3.2 **Classification of Creditors**

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

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

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

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

(d) a class of Creditors holding Securities Claims.

3.3 **Meetings of Affected Creditors**

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

3.4 **Treatment of General Unsecured Claims**

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

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

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

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

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

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

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

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

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

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

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

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

3.5 **Treatment of Securities Claims**

(1) At the Effective Time:

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

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

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

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

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

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

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

3.6 **Insured Claims**

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

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

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

3.7 **Unresolved General Unsecured Claims**

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

3.8 **Extinguishment of Claims**

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

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

3.9 **Guarantees and Similar Covenants**

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

3.10 **Set-Off**

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

ARTICLE 4
DEFINITIVE DOCUMENTS, LITIGATION ARRANGEMENTS AND RESTRUCTURING STEPS

4.1 **Securities Claimant Trust**

In relation to the Securities Claimant Trust:

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

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

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

4.2 **Settlement-Related Agreements**

The Settlement-Related Agreements will:

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

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

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

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

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

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

4.3 <u>**U.S. Class Action and California Action**</u>

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

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

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

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

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

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

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

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

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

4.4 <u>Litigation Cooperation of CannTrust Holdings</u>

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

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

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

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

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

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

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

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

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

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

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

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

4.5 **Articles of Reorganization**

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

4.6 **Restructuring Steps**

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

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

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

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

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

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

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

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

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

4.7 Corporate Approvals

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

ARTICLE 5
CASH POOL AND UNRESOLVED GENERAL UNSECURED CLAIMS

5.1 GUC Distribution Pool

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

5.2 Unresolved General Unsecured Claims Reserve

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

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

ARTICLE 6
DISTRIBUTIONS, PAYMENTS AND CURRENCY

6.1 Distributions Generally

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

6.2 Payments of Certain Unaffected Claims and Other Amounts

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

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

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

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

6.3 Distribution Mechanics for Affected Claims

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

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

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

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

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

6.5 **Allocation of Distributions**

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

6.6 **Treatment of Unclaimed Distributions**

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

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

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

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

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

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

6.7 **<u>Withholding Rights</u>**

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

6.8 Cancellation of Certificates and Notes, etc.

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

6.9 Calculations

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

6.10 Currency Matters

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

ARTICLE 7
RELEASES AND ADDITIONAL SETTLEMENT PARTIES

7.1 Additional Settlement Parties

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

- (a) to make a Cash Contribution to the Securities Claimant Trust on the Plan Implementation Date in an amount acceptable to CCAA Representative Counsel;
- (b) to assign its Assigned Claims (if any) to the Securities Claimant Trust on the Plan Implementation Date; and
- (c) to support the CCAA Plan in a manner consistent with the RSA.

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

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

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

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

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

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

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

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

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

7.2 **<u>Plan Releases</u>**

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

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

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

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

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

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

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

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

ARTICLE 8
COURT SANCTION

8.1 Application for CCAA Sanction Order

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

8.2 CCAA Sanction Order

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

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

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

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

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

(e) approve and authorize the Restructuring Steps;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10
GENERAL

10.1 **Binding Effect**

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

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

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

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

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

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

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

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

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

10.2 **Deeming Provisions**

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

10.3 **<u>Modification of the CCAA Plan</u>**

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

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

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

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

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

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

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

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

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

10.5 **Severability of Plan Provisions**

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

10.6 **Protections of the Monitor**

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

10.7 **Different Capacities**

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

10.8 **Notices**

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

If to any of the CannTrust Plan Companies:

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

Attention: David Blair, Chief Financial Officer

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

With copies to (which will not constitute notice)

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

Fax: 416-868-0673

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

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

If to the Monitor:

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

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

With copies to (which will not constitute notice)

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

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

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

10.9 **Further Assurances**

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

10.10 **Language**

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

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

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

10.12 Non-Consummation of the CCAA Plan

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

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

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

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

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

CannTrust Holdings Inc.
CannTrust Inc.
Elmcliffe Investments Inc.

SCHEDULE A
ACTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

I. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) **"Excluded Person(s)"** means

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. OBJECTIVE

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

III. DEADLINE FOR CLAIMS

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

IV. PROCESSING CLAIM FORMS

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

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

  (i) the Claimant is a Class Member; and

  (ii) the claim is not an Excluded Claim;

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

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

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

  (iii) the claim is not an Excluded Claim.

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

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

V. ALLOCATION OF CLASS COMPENSATION FUND

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

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

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

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

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

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

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

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

TABLE A

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

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

TABLE B

Type of Share	**Risk Adjustment**
Offering Share	1
Secondary Share	0.8

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

11. The applicable Share Inflation amounts are as follows:

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

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

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

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

VI. ADDITIONAL RULES

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

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

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

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

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

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

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

VII. REMAINING UNCLAIMED AMOUNTS

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

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

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

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

IRREGULAR CLAIMS

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE C
COOPERATION AGREEMENT – GENERAL PRINCIPLES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE D
FORM OF RELEASE IN FAVOUR OF RELEASED PARTIES

FULL AND FINAL RELEASE

WHEREAS:

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

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

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

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

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

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

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

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

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

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

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

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

4. The undersigned represents, warrants and confirms that:

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

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

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

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

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

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

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

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

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

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

•

Per: ____________________________________

Name:

Title:

SCHEDULE E

INSURERS (ADDITIONAL SETTLEMENT PARTIES) AND INSURANCE POLICIES

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

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

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Lawyers for the Applicants

TAB D

This is Exhibit **"D"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 27th
	)	
MR. JUSTICE HAINEY	)	DAY OF AUGUST, 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 and Internal Reorganization Approval Order)

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) extending the stay of proceedings up to and including December 31, 2021, and (ii) approving the Internal Reorganization, was heard this day by way of Zoom judicial video conference due to the COVID-19 pandemic.

ON READING (i) the Notice of Motion of the Applicants dated August 20, 2021, (ii) the affidavit of Greg Guyatt sworn August 20, 2021 (the "**Guyatt Affidavit**") and the exhibits thereto, and (iii) the Fourteenth Report of Ernst & Young Inc. in its capacity as court-appointed monitor of the Applicants (the "**Monitor**") dated August 23, 2021 (the "**Fourteenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and such other counsel as were present as listed on the participant sheet, no one else appearing although duly 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 in support of this motion and the Fourteenth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that all capitalized terms used and not defined in this Order shall have the meanings given to them in the Guyatt Affidavit.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order, as amended), be and is hereby extended to the earlier of: (i) the Effective Time; and (ii) December 31, 2021, or such later date as this Court may order.

APPROVAL OF INTERNAL REORGANIZATION STEPS

4. **THIS COURT ORDERS** that the Internal Reorganization related to the incorporation of CannTrust Equity Inc. as a wholly-owned subsidiary of CannTrust Holdings Inc. and the acquisition of all of the outstanding common shares of CannTrust Inc. by CannTrust Equity Inc. for the purposes of implementing the 2021 Omnibus Equity Incentive Plan are hereby approved.

GENERAL

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

6. **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.

7. **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.

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

Hainey J.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Stay Extension and
Internal Reorganization Approval Order)

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Lawyers for the Applicants

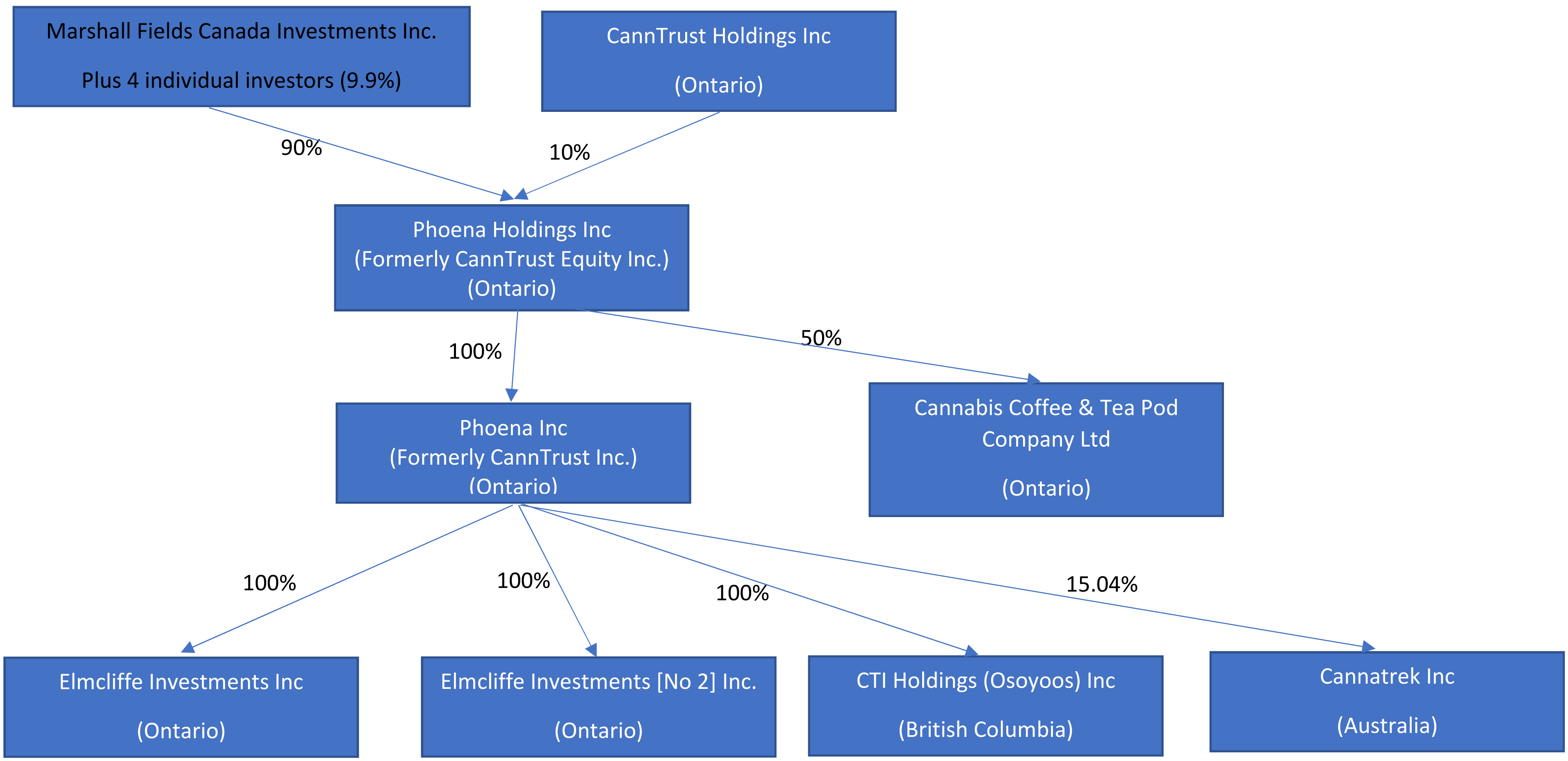
TAB E

This is Exhibit **"E"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

NRambaran

____

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N


Marshall Fields Canada Investments Inc.
Plus 4 individual investors (9.9%)
CannTrust Holdings Inc
(Ontario)
90%
10%
Phoena Holdings Inc
(Formerly CannTrust Equity Inc.)
(Ontario)
100%
50%
Phoena Inc
(Formerly CannTrust Inc.)
(Ontario)
Cannabis Coffee & Tea Pod Company Ltd
(Ontario)
100%
100%
100%
15.04%
Elmcliffe Investments Inc
(Ontario)
Elmcliffe Investments [No 2] Inc.
(Ontario)
CTI Holdings (Osoyoos) Inc
(British Columbia)
Cannatrek Inc
(Australia)

TAB F

This is Exhibit **"F"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
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

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Email: jgage@mccarthy.ca

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
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Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43186557

TAB G

This is Exhibit **"G"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Announces Implementation of CCAA Plan, Settlement of Class Action Lawsuits and Board Changes

CannTrust

NEWS PROVIDED BY
CannTrust Holdings Inc. →
Jan 06, 2022, 11:05 ET

VAUGHAN, ON, Jan. 6, 2022 /PRNewswire/ - CannTrust Holdings Inc. ("CannTrust" or the "Company") (unlisted) today announced that its Fourth Amended & Restated Plan of Compromise, Arrangement and Reorganization dated July 7, 2021 (the "CCAA Plan") has been implemented. The implementation of the CCAA Plan follows its approval by the Ontario Superior Court of Justice on July 16, 2021 and the approval of the US class action settlement by the United States District Court Southern District of New York on December 2, 2021. Amongst other steps, the Company has contributed $50 million to a trust established to facilitate the class action settlements in full satisfaction of the actions against it and $2.7 million in trust for settlement of various claims under its CCAA proceedings.

As planned, upon the implementation of the CCAA plan, four Directors of the Company resigned from the Board of Directors with immediate effect. CannTrust has accepted resignations from Chairman of the Board Robert Marcovitch, along with Directors Mitchell Sanders, Mark Dawber and Shawna Page. The Company thanks each Director for their contribution to the Company and wishes them every success in their future endeavors.

Notwithstanding the significant progress made by the CannTrust Group in these proceedings, including successfully obtaining the reinstatement of its licences from Health Canada, restructuring its operations, resuming production and processing operations, reaching key settlements, and the development, approval and sanction of the CCAA Plan, the Canadian cannabis industry generally, and the CannTrust Group specifically, have faced challenges. As a result, the CannTrust Group does not have sufficient liquidity to operate beyond the near term.

CannTrust is in default of the minimum EBITDA covenant under its DIP loan. The DIP lender has not agreed to waive the default although it continues to advance funds under the facility.

Despite the implementation of the CCAA Plan, CannTrust's CCAA proceedings are continuing to facilitate further discussions with potential investors and strategic partners, and to develop an orderly wind-down plan to maximize the value of its assets in the event that a financing or strategic transaction option cannot be finalized. The Company's current stay period extends to January 31, 2022. For more information about CannTrust's CCAA proceedings, please visit: www.ey.com/ca/canntrust.

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv, Synr.g and XSCAPE, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality products through standardized processes. Our greenhouse produces Grade A cannabis flower, with products currently being sold in dried flower, pre-roll, vape, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

Learn more at www.canntrust.com.

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian Securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to CannTrust's ongoing CCAA proceedings, its efforts to finalize a financing or strategic transaction and its effort to develop an orderly wind-down plan in the event that a transaction can not be finalized. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the Company's limited cash and other liquidity; the risk that the Company will be unable to raise further liquidity; the impact of any regulatory and other investigations; the Company's ongoing review of strategic and financing alternatives; risks associated with general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; CannTrust's ability to timely cure its disclosure defaults and obtain an order revoking the OSC's cease-trade order; the willingness of a stock exchange to list the Company's common shares and CannTrust's ability to satisfy the requirements of such exchange; and, the ability of CannTrust to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, CannTrust does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for CannTrust to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in CannTrust's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit CannTrust's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that CannTrust remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company is permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE CannTrust Holdings Inc.

Related Links

https://www.canntrust.com

TAB H

This is Exhibit **"H"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

THE GLOBE AND MAIL

CannTrust close to shuttering operations entirely

VANMALA SUBRAMANIAM FUTURE OF WORK REPORTER

PUBLISHED JANUARY 6, 2022

FOR SUBSCRIBERS

Cannabis buds lay along a drying rack at the CannTrust Niagara Greenhouse Facility in Fenwick, Ont., on June 26, 2018.

TIJANA MARTIN/THE CANADIAN PRESS

Beleaguered cannabis producer CannTrust Holdings Inc. CNTTQ (/investing/markets/stocks/CNTTQ/) unch – is facing severe liquidity issues and might be shutting down its business entirely in the near term if it cannot find new investors or strategic partners imminently.

In a statement released Thursday, the company said it had “faced challenges” and “does not have sufficient liquidity to operate beyond the near term,” despite attempting to restructure its ailing business by filing for creditor protection last July.

CannTrust is in default to one of its lenders because it recently breached a covenant on its debtor-in-possession loan that it received last summer. The covenant required the company to maintain a minimum level of EBITDA, or earnings before interest, tax, depreciation and amortization. CannTrust said the lender has not agreed to waive the default, even though it continues to advance funds under the debt facility.

The company filed for bankruptcy protection under the Companies’ Creditors Arrangement Act in April to allow it to try to restructure its operations, and received a debtor in possession loan of $22.5-million at that time.

“Despite the implementation of the CCAA plan, CannTrust’s CCAA proceedings are continuing to facilitate further discussions with potential investors and strategic partners and to develop an orderly wind-down plan to maximize the value of its assets in the event that a financing or strategic transaction option cannot be finalized,” Thursday’s statement said.

The company’s demise began in July, 2019, when regulators suspended its licences after discovering CannTrust had grown thousands of kilograms of cannabis illegally at its facility in Ontario’s Niagara region. The company also raised hundreds of millions of dollars in the United States allegedly using misleading information about the amount of licensed cannabis it had growing in its facilities.

In June, after a two-year investigation by the Ontario Securities Commission and the RCMP’s Integrated Market Enforcement Team, criminal charges, including fraud, were laid against three former executives of the company – former chief executive officer Peter Aceto, former vice-chairman Mark Litwin, and former chairman Eric Paul. Those court proceedings continue.

Despite getting its Health Canada operating licences reinstated in August, 2020, CannTrust has faced a slew of class-action lawsuits that have hampered its ability to operate. On Thursday, the company said it had contributed $50-million to a trust that would be used for class-action settlements.

Part of the creditor protection plan involved the resignation of four long-time company directors – Robert Marcovitch, Mitchell Sanders, Mark Dawber and Shawna Page. CannTrust said those resignations would take effect immediately.

Your time is valuable. Have the Top Business Headlines newsletter conveniently delivered to your inbox in the morning or evening. Sign up today.

TAB I

This is Exhibit **"I"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

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 23, 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, except the Excluded Property (as defined in the Investor DIP Term Sheet)). 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.

CONSOLIDATED BOTTLE CORPORATION

18. **THIS COURT ORDERS** that CannTrust Opco shall pay $400,000 to Consolidated Bottle Corporation ("**CBC**") in full and final satisfaction of all amounts owing to CBC on or before 5 p.m. ET on March 2, 2022, failing which the stay of proceedings in the Initial Order shall be lifted solely in respect of CBC on March 3, 2022.

SEALING ORDER

19. **THIS COURT ORDERS** that Confidential Appendix "B" 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

20. **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.

21. **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.

22. **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.

Conway J.

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 13, 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 16, 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)

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Lawyers for the Applicants

MT MTDOCS 43930327

TAB J

This is Exhibit **“J”** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Announces New Investment Partners, Provides Timeline for CCAA Exit

NEWS PROVIDED BY

CannTrust Holdings Inc. →

Feb 25, 2022, 16:59 ET

VAUGHAN, ON, Feb. 25, 2022 /PRNewswire/ – CannTrust Holdings Inc. ("CannTrust" or the "Company") (unlisted) today announced that it has secured new investment partners, led by Marshall Fields International B.V. ("Marshall Fields"), a subsidiary of Kenzoll B.V., a Netherlands-based private equity investment company.

"We are delighted to have found great partners who share our vision for the future of the Company. This is the culmination of two and a half years of hard work from the entire CannTrust team. We have remediated and improved our operations, restored our cannabis licenses, relaunched our business, settled all class action litigation against the Company and others, and now secured the right strategic partner." said Greg Guyatt, Chief Executive Officer, CannTrust. "As we begin this new era, we look forward to exiting CCAA and to sharing our plans for the future in the coming weeks, beginning with our new company name."

"CannTrust is a high-quality investment opportunity. We've been consistently impressed with the current business, its operations and management team and we're excited to be working together," said Corné Melissen, Owner, Kenzoll B.V. "Over the past few years, we have assembled business interests in the cannabis space in Africa and the Netherlands, with a world class management team dedicated to finding synergies where possible. We are confident that

Canadian legalization will give rise to more jurisdictions following suit, and that CannTrust will provide us with the North American foundation and industry expertise to become a global leader."

Today, the Ontario Court of Justice approved a proposed transaction pursuant to the *Companies Creditors' Arrangement Act* ("CCAA"), along with an extension of its stay order until the earlier of March 25, 2022 or closing of the transaction, at which time the Company expects to exit from its CCAA proceedings. Under the proposed transaction:

- An investor group led by Marshall Fields (the "Investors") has agreed to provide a $5.5 million debtor-in-possession loan (the "New DIP loan") to CannTrust Equity Inc. ("CannTrust Equity") and CannTrust Inc. ("CannTrust Opco"), which will rank behind the Company's existing $22.5 million DIP loan (the "Cortland DIP loan") from Cortland Credit Lending Corporation;
- The Investors, including two members of the Company's management team (who are not lenders under the New DIP loan), will invest $11.2 million to acquire an approximately 90% equity interest in CannTrust Equity (the "Private Placement"), with CannTrust Holdings retaining the balance of the equity in CannTrust Equity;
- The Company's existing approximately $336 million inter-company loan to CannTrust Opco and the Company's 50% equity interest in Cannabis Coffee and Tea Pod Company will be assigned to CannTrust Equity; and
- Upon closing of the Private Placement, the Investors will enter into a unanimous shareholders agreement (the "USA"). The Company anticipates that the USA will provide for, among other things, an option (the "Exchange Option"), expiring 18 months after the closing date of the Private Placement, permitting the Investors to elect to exchange their CannTrust Equity shares for a like number of CannTrust Holdings shares. The Exchange Option will be exercisable by the Investors only if, among other things, CannTrust Holdings obtains an order from the Ontario Securities Commission ("OSC") revoking the OSC's "failure-to-file" Cease Trade Order dated April 13, 2020.

The Company anticipates that the USA will provide that, if the Investors elect to exercise the Exchange Option and acquire control of CannTrust Holdings, the Company will use its commercially reasonable best efforts to initiate a rights offering in accordance with National Instrument 45-106 - *Private Placements*, offering an opportunity for current CannTrust

Holdings shareholders to subscribe for additional common shares of the Company at a price that will be determined by the Company's board of directors at the time of the rights offering. The rights offering issue price would be lower than the then-existing market price (if the shares are then listed on a stock exchange) or their fair value (if the shares are not then listed).

The New DIP loan will permit the Investors to convert all or part of the principal and interest (accrued and unpaid) under the loan into additional fully paid common shares of CannTrust Equity at the same price per share payable at closing of the Private Placement. If the New DIP loan is fully drawn and the lenders elect to convert the entire New DIP loan into equity, the expected combined ownership of the New Investors in CannTrust Equity will increase to approximately 93% before giving effect to any shares issuable under the rights offering.

CannTrust Equity intends to use the proceeds of the New DIP loan and the Private Placement for general working capital purposes to continue funding its growth strategy. Following closing of the Private Placement, in consultation with the New Investor, the Company intends to work towards applying to the OSC for an order revoking the Cease Trade Order. The Company anticipates that obtaining such an order will require, among other things, the filing and/or restating of audited financial statements and the preparation and filing of certain other public disclosures that are required by applicable securities laws.

The Company intends to convene an annual general meeting of its shareholders within four months of completing the Private Placement.

For more information about CannTrust's CCAA proceedings, please visit: www.ey.com/ca/canntrust.

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv, Synr.g and XSCAPE, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality products through standardized processes. Our greenhouse produces Grade A cannabis flower, with products currently being sold in dried flower, pre-roll, vape, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

Learn more at www.canntrust.com.

About Marshall Fields International B.V. and Kenzoll B.V.

Marshall Fields International B.V. is a subsidiary of Kenzoll B.V., a Netherlands-based private equity investment company. Kenzoll B.V. is based in Amsterdam, the Netherlands and controlled by Corné Melissen. Kenzoll B.V.'s portfolio comprises investments in energy, technology and cannabis.

Learn more at https://kenzoll.com/

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to CannTrust's ongoing CCAA proceedings, its efforts to obtain new debt and equity financing and to settle related contractual and governance items, some of which have not been finalized and remain subject to reaching agreement with persons who are not controlled by the Company. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the Company's limited cash and other liquidity; the risk that the Company or CannTrust Equity will be unable to raise further liquidity; the risk that, if CannTrust Equity requires additional equity, the Company's investment in CannTrust Equity could be diluted further; the risk that the Company will be unable to complete the Private Placement or agree on satisfactory terms for the USA or the New Investor DIP loan; the risk that CannTrust Equity or its affiliates could default under the Cortland DIP loan or the New DIP loan, which are secured against substantially all of the Company's assets; the risk that the Company will not be able to cure its disclosure defaults under securities laws and obtain an order from the OSC to revoke the CTO, on commercially reasonable terms, or at all; the impact of any regulatory and other investigations or proceedings; the risks associated with general economic conditions and/or adverse industry events; the risk of loss of markets; the risk of future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; the ability of the Company to attract and retain suitable directors, officers and employees; the risks that, even if the CTO can be revoked, the Company will be unable to obtain a stock exchange listing for the Company's common shares; the risk that CannTrust will be unable to satisfy the requirements of such exchange; and the ability of CannTrust to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, CannTrust does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for CannTrust to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in CannTrust's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit CannTrust's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that CannTrust remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company is permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE CannTrust Holdings Inc.

TAB K

This is Exhibit **"K"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Completes CAD $17 million Financing, Exits CCAA

NEWS PROVIDED BY

CannTrust Holdings Inc. →

Mar 15, 2022, 08:30 ET

VAUGHAN, ON, March 15, 2022 /PRNewswire/ - CannTrust Holdings Inc. (the "Company") (unlisted) today announced that its subsidiary, CannTrust Equity Inc. ("CannTrust Equity"), has completed its previously announced financing for aggregate cash proceeds of approximately CAD $17 million, as approved by the Ontario Superior Court on February 25, 2022 (the "Financing").

A group of investors led by Marshall Fields International B.V., a subsidiary of Kenzoll B.V., a Netherlands-based private equity investment company, has invested CAD $11.2 million to acquire a 90% equity interest in CannTrust Equity and provided a CAD $5.5 million secured credit facility to CannTrust Equity, which is subordinated to the existing $22.5 million credit facility arranged by Cortland Credit Lending Corporation. The Company retains the remaining 10% of the common shares of CannTrust Equity.

With the completion of the Financing, the companies comprising the CannTrust Group, have emerged from their Court-supervised proceedings under the Companies Creditors Arrangement Act ("CCAA"), effective immediately.

"This marks the end of one long journey and the beginning of a new, exciting era for CannTrust. Today we can take our first step forward, focusing our attention on the bright future that lies ahead, with our new partners, Kenzoll." said Greg Guyatt, Chief Executive Officer, CannTrust.

"There's lots to get done, but the entire team is excited to progress our 2022 strategy and announce our new company name."

The Company plans to convene a meeting of its shareholders within the next four months. In the meantime, the Company intends to explore alternatives for either applying to the Ontario Securities Commission ("OSC") for an order revoking the OSC's "failure-to-file" Cease Trade Order dated April 13, 2020 or for taking steps to obtain a stock exchange listing for the common shares of CannTrust Equity.

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv, Synr.g and XSCAPE, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality products through standardized processes. Our greenhouse produces Grade A cannabis flower, with products currently being sold in dried flower, pre-roll, vape, topical, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

Learn more at www.canntrust.com

About Marshall Fields International B.V. and Kenzoll B.V.

Marshall Fields International B.V. is a subsidiary of Kenzoll B.V., a Netherlands-based private equity investment company. Kenzoll B.V. is based in Amsterdam, the Netherlands and is controlled by Corné Melissen. Kenzoll B.V.'s portfolio comprises investments in energy, technology and cannabis.

Learn more at https://kenzoll.com/

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to CannTrust's efforts to resolve certain securities regulatory and stock exchange issues, some of which have not been finalized and remain subject to completing further analyses, obtaining shareholder and creditor approval and satisfying the requirements of securities regulators and a stock exchange. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the risk that, if CannTrust Equity requires additional equity, the Company's investment in CannTrust Equity could be diluted further; the risk that CannTrust Equity or its affiliates could default under its credit facilities from Cortland Credit Lending Corporation or Marshall Fields International B.V., which are secured against substantially all of CannTrusts's assets; the risk that the Company will not be able to cure its disclosure defaults under securities laws and obtain an order from the OSC to revoke the CTO, on commercially reasonable terms, or at all; the impact of any regulatory and other investigations or proceedings; the risks associated with general economic conditions and/or adverse industry events; the risk of loss of markets; the risk of future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; the ability of the Company to attract and retain suitable directors, officers and employees; the risks that, even if the CTO can be revoked, the Company will be unable to obtain a stock exchange listing for the Company's common shares; the risk that neither the Company nor CannTrust Equity will be able to satisfy the requirements of such exchange; and the ability of CannTrust to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in the Company's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit the Company's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that the Company remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company was permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE CannTrust Holdings Inc.

TAB L

This is Exhibit **"L"** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Introduces Phoena, the Company's New Corporate Name

PHOENA™

NEWS PROVIDED BY
Phoena Holdings Inc. →
May 03, 2022, 13:15 ET

VAUGHAN, ON, May 3, 2022 /PRNewswire/ - CannTrust Equity Inc. (the "Company" or "Phoena") (unlisted), today marks the start of a new era for the Company by announcing its new corporate name, Phoena Holdings Inc. (pronounced Fee-nah).

"This is a truly exciting and transformative time for our Company," said Greg Guyatt, Chief Executive Officer, "Phoena reflects who we are today - stronger, more experienced and more focused – and forms the foundation for our future success as we enter the next era of our evolution. While our name is new, the core values we have developed over the last two years are the same, as are the great products and experiences our consumers and patients have come to expect."

The name Phoena is derived from the word "phenotype" which describes the traits taken from a plant's genetic code that we use to merge nature, purpose, and science to produce the best cannabis products on the market. We are dedicated to ensuring that every product, every initiative and every activity lives up to the name.

Phoena is committed to delivering experiences that enhance life and help patients and consumers be their best, with a continued emphasis on quality, consistency and support. Phoena will continue to build on the success of the Liiv, SYNR.G, Xscape and estora brands in both the recreational and medical channels, with no changes expected to current operations.

Phoena Holdings Inc. is 90% owned by a group of investors led by Marshall Fields International B.V., a subsidiary of Kenzoll B.V. with the remaining 10% owned by CannTrust Holdings Inc. ("CannTrust"). Phoena is continuing to review alternatives for becoming a reporting issuer and obtaining a stock exchange listing for Phoena's common shares, and will provide further updates on this initiative as they become available.

About Phoena
Phoena is an award-winning, federally regulated licensed cannabis producer, with locations in Vaughan and Fenwick, Ontario. We operate a portfolio of well-known brands, including estora, Liiv, SYNR.G and Xscape.

We are committed to providing exceptional consumer experience, quality products and consistency. Our greenhouse produces Grade A cannabis flower, which is sold in a variety of dried flower and extract formats.

Phoena creates cannabis products that meet the diverse needs of patients and consumers, promoting positivity, supporting creativity, and inspiring confidence.

Phoena, empowering you every day.

Learn more at Phoena.com

Forward-Looking Statements
This press release contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon Phoena's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to Phoena's and CannTrust's efforts to resolve certain securities regulatory and stock exchange issues, some of which have not been finalized and remain subject to completing further analyses, obtaining shareholder and creditor approval and satisfying the requirements of securities regulators and a stock exchange. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the risk that, if the Company requires additional capital, such capital might be unavailable or the shareholders' investment could be diluted; the risk that the Company or its affiliates could default under its credit facilities which are secured against substantially all of the Company's assets; the risk that the Company and CannTrust will not be able to cure the disclosure defaults under securities laws and obtain an order from the OSC to revoke the CTO, on commercially reasonable terms, or at all; the impact of any regulatory and other investigations or proceedings; the risks associated with general economic conditions and/or adverse industry events; the risk of loss of markets; the risk of future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; the ability of the Company to attract and retain suitable directors, officers and employees; the risks that, even if the CTO can be revoked, the Company or CannTrust will be unable to obtain a stock exchange listing for the its common shares; the risk that the Company or CannTrust will be able to satisfy the requirements of such exchange; and the ability of the Company to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in CannTrust Holdings Inc.'s Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit to the Company's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that CannTrust Holdings Inc. remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently facing it, and that it has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that it was permitted by the Initial Order of the Superior Court of Justice to not correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements and, by a subsequent order, to extend the time for CannTrust to call an annual general meeting of shareholders to a date no later than 120 days after the expiry or termination of the CCAA stay period. None of CannTrust's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in its securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE Phoena Holdings Inc.

TAB M

This is Exhibit **“M”** referred to in the
Affidavit of **Greg Guyatt**,
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
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.

Hainey J

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(AGM DEADLINE EXTENSION)

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Lawyers for the Applicants

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 June 23, 2022)

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Lawyers for the Applicants

MTDOCS 44844287

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

AFFIDAVIT OF DAVID BLAIR
(Sworn June 23, 2022)

I, David Blair, of the City of Vaughan, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Interim Chief Financial Officer ("**Interim CFO**") of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since February 2020. Prior to my appointment as Interim CFO, I served as Vice President Finance ("**VP Finance**") of CannTrust Holdings since joining CannTrust Holdings in or around October 2019. I am a Chartered Professional Accountant and have more than 20 years of experience in the industrial products and services, software and hardware technology and pharmaceutical sectors.

2. Through my current role as Interim CFO, and my former role as VP Finance, I am familiar with the operations, financial results and strategies of CannTrust Holdings and its subsidiaries (collectively, the "**CannTrust Group**"). As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. This affidavit is sworn in support of a motion by CannTrust Holdings for an order, substantially in the form of the draft order included at Tab 5 of the motion record, among other things, extending the time for it to call an annual meeting of its shareholders until November 30, 2022.

4. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Affidavit of Greg Guyatt sworn June 23, 2022 (the "**Guyatt Affidavit**"). All dollar references herein are Canadian dollars unless otherwise referenced.

(i) Appointment of MNP as Auditor

5. Following the CannTrust Group encountering its significant regulatory challenges in the summer of 2019, the auditor of CannTrust Holdings, KPMG LLP ("**KPMG**"), publicly withdrew its audit report on the consolidated financial statements for the year ended December 31, 2018 and its interim report to the Audit Committee on the unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2019. KPMG had been the auditor of CannTrust Holdings since December 21, 2018.

6. As a consequence of these regulatory challenges, the CCAA Proceedings and KPMG having been named as a defendant in the Actions, CannTrust Holdings and KPMG mutually decided to not reappoint KPMG as the company's auditor. On April 30, 2021, CannTrust Holdings filed a Notice of Change of Auditor on SEDAR which disclosed that CannTrust Holdings was in the process of identifying a successor auditor. A copy of this Notice of Change of Auditor is attached hereto as **Exhibit "A"**.

7. CannTrust Holdings ultimately selected MNP LLP ("**MNP**"), one of the largest

national professional accounting service firms in Canada, as its auditor. The appointment of MNP as auditor was approved by the board of directors and audit committee of CannTrust Holdings effective August 13, 2021.

8. On August 16, 2021, CannTrust Holdings filed a Notice of Change of Auditor on SEDAR which disclosed that CannTrust Holdings had appointed MNP as the successor auditor of the company. A copy of this Notice of Change of Auditor is attached hereto as **Exhibit "B"**. A copy of the press release announcing MNP's appointment is attached hereto as **Exhibit "C"**.

(ii) Timing of Required Financial Statements

9. As noted in the Guyatt Affidavit, CannTrust Holdings is currently required to hold an AGM by July 13, 2022 and, in order to do so, it must place certain financial statements and other information before its shareholders.

10. I am advised by Robert J. Richardson, a partner with McCarthy Tétrault LLP ("**McCarthys**"), the CannTrust Group's Canadian legal counsel, that for offering corporations such as CannTrust Holdings, the financial statements that must be put before the shareholders include those required to be filed under the *Securities Act* (Ontario) and the regulations made thereunder for the following periods:

(a) the period from the end of the last completed financial year to six months before the AGM; and

(b) the immediately preceding financial year.

11. In order to comply with the *Business Corporations Act* (Ontario), CannTrust Holdings would have to complete the following financial statements (the "**Required Financial Statements**"):

(a) the annual financial statements, related MD&A and annual information form for the year ended December 31, 2021;

(b) the quarterly financial statements and related MD&A for the periods ended March 31, 2021, June 30, 2021 and August 31, 2021; and

(c) the quarterly financial statements and related MD&A for the period ended March 31, 2022.

12. In order for the Required Financial Statements to be mailed to the shareholders of CannTrust Holdings sufficiently in advance of an AGM to be held by July 13, 2022, they would have needed to have been completed by late May 2022.

13. I have worked extensively with MNP since their appointment as the auditor of CannTrust Holdings in August 2021 as they commenced their audit of the financial statements of the CannTrust Group. MNP has faced significant challenges in this regard for several reasons.

14. First, CannTrust Holdings has not filed any financial statements in over three years (since May 2019) and the last financial statements filed by CannTrust Holdings (the 2018 Financial Statements and the 2019 Q1 Financial Statements) require restatement.

15. Second, the CannTrust Group faced significant liquidity challenges between MNP's appointment in August 2021 and the closing of the Investment Transaction in March 2022. As detailed further in the Guyatt Affidavit, throughout this period it was uncertain whether the CannTrust Group would be able to continue operating as a going concern or whether it would be forced to transition to an orderly wind-down of its business. As part of its cash conservation measures during this period, the CannTrust Group did not direct cash and management resources towards preparing financial statements and MNP continuing its audit during this period.

16. As set out in the Guyatt Affidavit, the Initial Order authorized the decision by the CannTrust Group to not direct its scarce resources towards financial reporting during the pendency of the CCAA Proceedings. Among other things, the CannTrust Group was focused on soliciting, negotiating and completing the Investment Transaction during this period so that it could emerge as a going concern, not preparing financial statements for an annual general meeting that may never be held if it did not survive.

17. Third, the CannTrust Group also significantly reduced its headcount during the course of the CCAA Proceedings as a further cash conservation measure. These staff reductions continued in late 2021 and early 2022 as the CannTrust Group experienced its significant liquidity challenges. The staff reductions included those in areas relevant to the preparation of the financial statements of CannTrust Holdings, including accounting, operations and others. Even if MNP's audit work had continued after its appointment, MNP would not have had access to certain individuals that have knowledge about the accounting and operations of the CannTrust Group in 2021, the period covered by the Required Financial Statements.

18. Fourth, numerous technical accounting issues have arisen as a consequence of the CannTrust Group's prior regulatory issues, including revenue recognition, valuation of inventory and asset impairment amongst others. These are complex issues that have required further research and consideration by MNP in order to ensure that they are recorded in accordance with the International Financial Reporting Standards.

19. Fifth, MNP has faced challenges auditing the opening financial statement balances since those pre-date their appointment as auditor and KPMG has refused to provide its working papers due to ongoing litigation involving them and others that the CannTrust Group has settled.

20. Following the completion of the Investment Transaction, I and my team have engaged extensively with MNP to attempt to overcome the above challenges and advance the Required Financial Statements so that CannTrust Holdings could call a meeting by the current deadline. However, despite the efforts made to date, I was advised by MNP that was not possible for the audit of the Required Financial Statements to be completed by late May in order for CannTrust Holdings to call an AGM by July 13, 2022.

21. I believe, based on my discussions with MNP and the work that has already been undertaken to advance the Required Financial Statements, that they can be completed by early to mid October 2022 such that it is feasible for CannTrust Holdings to call an AGM by November 30, 2022.

(iii) Potential Liability

22. Given the potential for civil and quasi-criminal liability to be imposed upon me as an

officer of CannTrust Holdings if it is required to call an annual general meeting without placing the Required Financial Statements before its shareholders, as set out in the Guyatt Affidavit, I would seriously consider resigning my position before any such meeting were held.

(iv) Outstanding Disclosure – Holdings Listing Alternative

23. As set out in further detail in the Affidavit of Dan Hogan, dated June 23, 2022 (the "**Hogan Affidavit**"), the CannTrust Group has explored the process for having the CTO revoked and obtaining a new listing for the common shares of CannTrust Holdings.

24. I am advised by Mr. Richardson that, in order to do so, CannTrust Holdings would have to prepare and file all of the periodic disclosure documents necessary to remedy its failure-to-file default. In particular, CannTrust Holdings would be required to prepare and file 56 separate documents, including annual and quarterly financial statements and related MD&A going back to 2018. A list of all of these required documents is attached hereto as **Exhibit "D"**.

25. Based on the inquiries I have made of MNP and McCarthys, I would estimate that CannTrust Holdings would incur professional fees in excess of $3 million to complete these financial statements and pursue the Holdings Listing Alternative, if this alternative was even feasible given the historic issues.

(v) Outstanding Disclosure – Phoena Listing Alternative

26. As set out in the Hogan Affidavit, the CannTrust Group is also exploring the process for obtaining a listing for the common shares of Phoena.

27. In order to pursue the Phoena Listing Alternative and seek a listing of its shares on Canadian Securities Exchange (the "**CSE**"), Phoena would only prepare carve-out financial statements for the preceding two years. Based on the inquiries I have made of MNP and McCarthys, I would estimate that the CannTrust Group would incur professional fees of approximately $2 million or less to complete these carve-out financial statements and pursue the Phoena Listing Alternative.

SWORN BEFORE ME remotely by videoconference on this 23rd day of June, 2022 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. The affiant was located in the City of Vaughan, in the Province of Ontario, and the Commissioner was located in the City of Toronto, in the Province of Ontario.

David Blair

David Blair

N Rambaran

A Commissioner for taking Affidavits
Name: Natasha Rambaran (LSO# 80200N)

TAB A

This is Exhibit **"A"** referred to in the
Affidavit of **David Blair,**
sworn before me on June 23, 2022

NRambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

NOTICE OF CHANGE OF AUDITOR

April 22, 2021

TO: KPMG LLP
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3

Attention: Mr. Andrew Smith, CPA, CA

COPY: Ontario Securities Commission, as principal regulator
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Government of Prince Edward Island

Dear Mesdames and Sirs,

By letter dated April 19, 2021, KPMG LLP ("KPMG"): (a) confirmed to CannTrust Holdings Inc. (the "Company") that (i) KPMG will not be in a position to complete the audits for the Company's restated financial statements for the years ended December 31, 2018 and 2019 and (ii) KPMG will not stand for reappointment as the Company's independent auditor for the Company's financial statements for the year ended December 31, 2020; (b) confirmed that the foregoing was a mutual decision by the Company and KPMG, as distinguished from a termination or resignation; and (c) acknowledged that the Company was in the process of identifying a successor auditor and requested that the Company deliver to KPMG a Notice of Change of Auditor.

The Company hereby provides this Notice of Change of Auditor in accordance with Section 4.11(5)(a) of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102"):

1. For purposes of Section 4.11(7)(a) of NI 51-102, the Company is treating April 19, 2021 as the date that KPMG ceased to be the Company's auditor.

2. As noted above, the Company and KPMG mutually decided to not reappoint KPMG as the Company's auditor. One reason for this decision is that, as a result of ongoing civil litigation in which the Company, KPMG and certain third parties are named as defendants, certain auditor independence concerns and conflicts of interest (actual or perceived) have arisen or may arise between the Company and KPMG because of demands made by plaintiffs that make KPMG's continued appointment as the Company's auditor untenable in the circumstances.

3. The Company's audit committee is aware of the contents of this Notice and its surrounding circumstances. The audit committee has authorised KPMG to respond fully to any successor auditor concerning the issues giving rise to the reportable event described below.

4. The following reportable event was announced by the Company on August 9, 2020 and remains unresolved:

   Effective August 8, 2019, KPMG withdrew its report dated March 27, 2019 on the Company's consolidated financial statements as at and for the year ended December 31, 2018 and its interim report to the Audit Committee dated May 13, 2019 on the unaudited condensed interim consolidated financial statements as at and for the three month period ended March 31, 2019 (collectively, the "KPMG Reports").

   The Company understands that KPMG's decision to withdraw the KPMG Reports was prompted by the Company's earlier caution against reliance on its financial statements for the year ended December 31, 2018 and for the three months ended March 31, 2019, as well as the Company's sharing with KPMG certain previously uncovered information ("Special Committee Findings") arising from an internal investigation completed by a special committee appointed by the Company's board of directors (the "CannTrust Board"), including information that had led the CannTrust Board to make changes to the Company's senior leadership that were announced by the Company on July 25, 2019. KPMG had advised the Company that it had not been aware of the Special Committee Findings when it issued the KPMG Reports and had relied upon representations made by Company representatives who were no longer employed by the Company.

5. KPMG has not audited any of the Company's financial statements for any period subsequent to December 31, 2018 or expressed any opinion in respect of any of the Company's financial statements for any period subsequent to March 31, 2019.

Yours truly,

CANNTRUST HOLDINGS INC.
By:

(signed) "*David Blair*"

David Blair, CPA, CA
Interim Chief Financial Officer

cc. Robert Marcovitch, Chairman, CannTrust Holdings Inc.
Mark Dawber, Director and Audit Committee Chairman, CannTrust Holdings Inc.
Robert J. Richardson, Partner, McCarthy Tétrault LLP
Shane D'Souza, Partner, McCarthy Tétrault LLP

TAB B

This is Exhibit **"B"** referred to in the
Affidavit of **David Blair,**
sworn before me on June 23, 2022

N Rambaran

____
A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

NOTICE OF CHANGE OF AUDITOR

August 16, 2021

TO: MNP LLP
111 Richmond Street West
Suite 300
Toronto, ON
M5H 2G4

COPY: Ontario Securities Commission, as principal regulator
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Government of Prince Edward Island

Dear Mesdames and Sirs,

By letter dated April 19, 2021, KPMG LLP ("KPMG"): (a) confirmed to CannTrust Holdings Inc. (the "Company") that (i) KPMG will not be in a position to complete the audits for the Company's restated financial statements for the years ended December 31, 2018 and 2019 and (ii) KPMG will not stand for reappointment as the Company's independent auditor for the Company's financial statements for the year ended December 31, 2020; (b) confirmed that the foregoing was a mutual decision by the Company and KPMG, as distinguished from a termination or resignation; and (c) acknowledged that the Company was in the process of identifying a successor auditor and requested that the Company deliver to KPMG a Notice of Change of Auditor.

The Company disclosed the foregoing in a Notice of Change of Auditor dated April 22, 2021, which was prepared in accordance with Section 4.11(5)(a) of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") and filed on www.sedar.com.

The Company hereby provides this Notice of Change of Auditor in accordance with Section 4.11(7)(a) of NI 51-102:

1. For purposes of Section 4.11(7)(a) of NI 51-102, the Company is treating April 19, 2021 as the date that KPMG ceased to be the Company's auditor.

2. As noted above, the Company and KPMG mutually decided to not reappoint KPMG as the Company's auditor. One reason for this decision is that, as a result of ongoing civil litigation in which the Company, KPMG and certain third parties are named as defendants, certain auditor independence concerns and conflicts of interest (actual or perceived) have arisen or may arise between the Company and KPMG because of demands made by plaintiffs that make KPMG's continued appointment as the Company's auditor untenable in the circumstances.

3. The Company's audit committee (s) approved the decision to not reappoint KPMG as the Company's auditor and authorised KPMG to respond fully to any successor auditor concerning the issues giving rise to the reportable event described below and (b) on August 13, 2021, approved the appointment of MNP LLP as the successor auditor of the Company.

4. The following reportable event was announced by the Company on August 9, 2021 and remains unresolved:

    Effective August 8, 2019, KPMG withdrew its report dated March 27, 2019 on the Company's consolidated financial statements as at and for the year ended December 31, 2018 and its interim report to the Audit Committee dated May 13, 2019 on the unaudited condensed interim consolidated financial statements as at and for the three month period ended March 31, 2019 (collectively, the "KPMG Reports").

    The Company understands that KPMG's decision to withdraw the KPMG Reports was prompted by the Company's earlier caution against reliance on its financial statements for the year ended December 31, 2018 and for the three months ended March 31, 2019, as well as the Company's sharing with KPMG certain previously uncovered information ("Special Committee Findings") arising from an internal investigation completed by a special committee appointed by the Company's board of directors (the "CannTrust Board"), including information that had led the CannTrust Board to make changes to the Company's senior leadership that were announced by the Company on July 25, 2019. KPMG had advised the Company that it had not been aware of the Special Committee Findings when it issued the KPMG Reports and had relied upon representations made by Company representatives who were no longer employed by the Company.

5. KPMG has not audited any of the Company's financial statements for any period subsequent to December 31, 2018 or expressed any opinion in respect of any of the Company's financial statements for any period subsequent to March 31, 2019.

Yours truly,

CANNTRUST HOLDINGS INC.
By:

"David Blair"

David Blair, CPA, CA
Interim Chief Financial Officer

cc. Robert Marcovitch, Chairman, CannTrust Holdings Inc.
Mark Dawber, Director and Audit Committee Chairman, CannTrust Holdings Inc.
Robert J. Richardson, Partner, McCarthy Tétrault LLP
Shane D'Souza, Partner, McCarthy Tétrault LLP

TAB C

This is Exhibit **“C”** referred to in the
Affidavit of **David Blair,**
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Announces Appointment of Successor Auditor

NEWS PROVIDED BY
CannTrust Holdings Inc. →
Aug 16, 2021, 14:00 ET

VAUGHAN, ON, Aug. 16, 2021 /PRNewswire/ - CannTrust Holdings Inc. ("CannTrust" or the "Company") (unlisted) announced today the appointment of MNP LLP as its auditor. This follows the Company's prior announcement of a change in auditor from KPMG LLP ("KPMG") dated April 30, 2021. The Company's audit committee and board have approved the appointment of MNP effective August 13, 2021.

MNP LLP is one of the largest national full-service business advisory firms in Canada, providing client-focused accounting, taxation, digital solutions and consulting advice.

The Company and its management are committed to working closely with MNP LLP on the completion of its audited financial statements for 2020 and 2021 for filing in the second quarter of 2022. With a successor auditor engaged, CannTrust intends to develop a plan and timetable for curing the Company's historical disclosure defaults with the ultimate objective of submitting an application to the Ontario Securities Commission (the "OSC") for a discretionary order revoking the OSC's cease-trade order dated April 13, 2020. Due to recent amendments to Rule 15c2-11 under the U.S. Securities Exchange Act of 1934, the Company expects that brokers and dealers in the U.S. will cease to publish quotations for its common shares and will cease to submit such quotations for publication effective September 28, 2021 until financial statements are filed. Resolving CannTrust's historical disclosure defaults will require a considerable amount of management time and expense and there can be no assurance that the Company will be successful in obtaining an order from the OSC.

For a copy of the Company's reporting package, including the notice of change of auditor and MNP's response letter, each prepared in accordance with the applicable requirements of Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations, please visit www.sedar.com.

CannTrust remains under CCAA protection to facilitate its efforts to resolve its civil litigation claims and implement its Court approved Plan of Compromise, Arrangement and Reorganization. Aspects of the ongoing efforts remain confidential, and the Company is unable to predict with any certainty either their timing or outcome. For more information about CannTrust's CCAA proceedings, please visit: www.ey.com/ca/canntrust.

About CannTrust

CannTrust is a federally regulated licensed cannabis producer. We are proudly Canadian, operating a portfolio of brands including estora, Liiv and Synr.g, specifically designed to surprise and delight patients and consumers.

At CannTrust, we are committed to providing an exceptional customer experience, as well as consistent and quality products through standardized processes. Our greenhouse produces Grade A cannabis flower, with products currently being sold in dried flower, pre-roll, vape, oil drops and capsule formats. Founded in 2013, our continued success in the medical cannabis market and subsequent expansion into the recreational business, led to us being named Licensed Producer of the Year at the Canadian Cannabis Awards 2018.

CannTrust is committed to research and innovation, investing in developing technologies for new products in the medical, recreational, and wellness markets, while contributing to the growing body of evidence-based research regarding the use and efficacy of cannabis.

Learn more at www.canntrust.com.

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian Securities laws and "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act of 1995* and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to the expectation that CannTrust will apply for and obtain a discretionary order revoking the OSC's cease-trade order. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the outcome of the Company's contingent liabilities; the impact of any regulatory and other investigations; the Company's ongoing review of strategic and financing alternatives; risks associated with general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; CannTrust's ability to timely cure its disclosure defaults and obtain an order revoking the OSC's cease-trade order; the willingness of a stock exchange to list the Company's common shares and CannTrust's ability to satisfy the requirements of such exchange; and, the ability of CannTrust to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, CannTrust does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for CannTrust to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in CannTrust's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit CannTrust's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that CannTrust remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company is permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

SOURCE CannTrust Holdings Inc.

Related Links

https://www.canntrust.com

TAB D

This is Exhibit **"D"** referred to in the
Affidavit of **David Blair,**
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

Exhibit "D" –
Financial Statements Necessary to Cure Failure-to-File Default

1. Restated annual and quarterly financial statements for the year and quarter ended December 31, 2018

2. Restated management's discussion and analysis for the year and quarter ended December 31, 2018

3. Restated annual information form for the year ended December 31, 2018

4. 52-109F1R Certification of refiled annual filings by the chief executive officer with respect to the 2018 annual filings listed above

5. 52-109F1R Certification of refiled annual filings by the chief financial officer with respect to the 2018 annual filings listed above

6. Restated quarterly financial statements for the period ended March 31, 2019

7. Restated management's discussion and analysis for the quarter ended March 31, 2019

8. 52-109F2R Certification of refiled interim filings by the chief executive officer with respect to the 2019 Q1 filings listed above

9. 52-109F2R Certification of refiled interim filings by the chief financial officer with respect to the 2019 Q1 filings listed above

10. Quarterly financial statements for the period ended June 30, 2019

11. Management's discussion and analysis for the quarter ended August 31, 2019

12. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2019 Q2 filings listed above

13. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2019 Q2 filings listed above

14. Quarterly financial statements for the period ended August 31, 2019

15. Management's discussion and analysis for the quarter ended August 31, 2019

16. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2019 Q3 filings listed above

17. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2019 Q3 filings listed above

18. Annual and quarterly financial statements for the year and quarter ended December 31, 2019

19. Management's discussion and analysis for the year and quarter ended December 31, 2019

20. Annual information form for the year ended December 31, 2019

21. 52-109F1 Certification of annual filings by the chief executive officer with respect to the 2019 annual filings listed above

22. 52-109F1 Certification of annual filings by the chief financial officer with respect to the 2019 annual filings listed above

23. Quarterly financial statements for the period ended March 31, 2020

24. Management's discussion and analysis for the quarter ended March 31, 2020

25. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2020 Q1 filings listed above

26. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2020 Q1 filings listed above

27. Quarterly financial statements for the period ended June 30, 2020

28. Management's discussion and analysis for the quarter ended June 30, 2020

29. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2020 Q2 filings listed above

30. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2020 Q2 filings listed above

31. Quarterly financial statements for the period ended August 31, 2020

32. Management's discussion and analysis for the quarter ended August 31, 2020

33. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2020 Q3 filings listed above

34. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2020 Q3 filings listed above

35. Annual and quarterly financial statements for the year and quarter ended December 31, 2020

36. Management's discussion and analysis for the year and quarter ended December 31, 2020

37. Annual information form for the year ended December 31, 2020;

38. 52-109F1 Certification of annual filings by the chief executive officer with respect to the 2020 annual filings listed above

39. 52-109F1 Certification of annual filings by the chief financial officer with respect to the 2020 annual filings listed above

40. Quarterly financial statements for the period ended March 31, 2021

41. Management’s discussion and analysis for the quarter ended March 31, 2021

42. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2021 Q1 filings listed above

43. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2021 Q1 filings listed above

44. Quarterly financial statements for the period ended June 30, 2021

45. Management’s discussion and analysis for the quarter ended June 30, 2021

46. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2021 Q2 filings listed above

47. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2021 Q2 filings listed above

48. Quarterly financial statements for the period ended August 31, 2021

49. Management’s discussion and analysis for the quarter ended August 31, 2021

50. 52-109F2 Certification of interim filings by the chief executive officer with respect to the 2021 Q3 filings listed above

51. 52-109F2 Certification of interim filings by the chief financial officer with respect to the 2021 Q3 filings listed above

52. Annual and quarterly financial statements for the year and quarter ended December 31, 2021

53. Management’s discussion and analysis for the year and quarter ended December 31, 2021

54. Annual information form for the year ended December 31, 2021

55. 52-109F1 Certification of annual filings by the chief executive officer with respect to the 2021 annual filings listed above

56. 52-109F1 Certification of annual filings by the chief financial officer with respect to the 2021 annual filings listed above

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 DAVID BLAIR
(Sworn June 23, 2022)

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

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

Trevor Courtis LSO#: 67715A
Tel: 416-601-7643
Email: tcourtis@mccarthy.ca

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

Lawyers for the Applicants

MTDOCS 44851070

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

AFFIDAVIT OF DAN HOGAN
(Sworn June 23, 2022)

I, Dan Hogan, of the City of Denver, in the State of Colorado, MAKE OATH AND SAY:

1. I am a director of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since March 2021. Prior to my appointment as a director, I served as Head of Strategic Priorities since joining CannTrust Holdings in or around August 2019. Prior to joining CannTrust Holdings, I was the chief executive officer of eBags Inc., an internet retailer of travel goods, and chief operating officer and chief financial officer of the Coleman Company, an international manufacturer of outdoor equipment. Collectively, I have over 40 years of experience in consumer products companies.

2. Through my current role as director, and my former role as Head of Strategic Priorities, I am familiar with the operations, financial results and strategies of CannTrust Holdings and its subsidiaries (collectively, the "**CannTrust Group**"). As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. This affidavit is sworn in support of a motion by CannTrust Holdings for an order, substantially in the form of the draft order included at Tab 5 of the motion record, among other things, extending the time for it to call an annual meeting of its shareholders until November 30, 2022 (the "**AGM Extension Order**").

4. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Affidavit of Greg Guyatt sworn June 23, 2022 (the "**Guyatt Affidavit**"). All dollar references herein are Canadian dollars unless otherwise referenced.

(i) Listing Alternatives Being Explored

5. I joined the CannTrust Group in August 2019, after Health Canada audits revealed that the CannTrust Group was growing and storing cannabis contrary to applicable laws. As set out in the Guyatt Affidavit, the CannTrust Group has undergone a remarkable turnaround since that time. The CannTrust Group emerged from the CCAA Proceedings as a stronger and more experienced business with an enhanced focus on the core values that it developed over the last two years and a commitment to provide an exceptional consumer experience, quality products and consistency.

6. Over the last several months, the CannTrust Group has been exploring alternatives to resume the trading of its shares on public markets, which it anticipates will create a number of benefits for the CannTrust Group, its shareholders and other stakeholders. First, it will facilitate the CannTrust Group's access to capital as it continues to execute on its plan to re-build its share of the recreational and medical cannabis markets in Canada. Second, the liquidity availability through a public market for the company's shares will benefit the existing shareholders who have been subject to the CTO since April 13, 2020.

7. The CannTrust Group has been considering two alternatives in particular, which are described below.

A. <u>Holdings Listing Alternative</u>

8. The first alternative being explored is having the CTO revoked and obtaining a listing for the common shares of CannTrust Holdings (the "**Holdings Listing Alternative**"). To do so, CannTrust Holdings would need to (i) apply to the OSC to obtain a discretionary order to revoke the CTO under National Policy 11-207 – *Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions* ("**NP 11-207**"), and (ii) apply to a stock exchange for a new listing of its common shares.

9. Section 33 of NP 11-207 contemplates that an application to revoke a cease trade order that has been in existence for more than 90 days (such as the CTO) will be accompanied by drafts of <u>all</u> of the financial statements and other periodic disclosure documents that are required to be filed to remedy the failure-to-file default. NP 11-207 contemplates that the OSC would conduct a "full review" of these financial statements and other periodic disclosure documents.

10. As set out in further detail in the Affidavit of David Blair, sworn June 23, 2022 (the "**Blair Affidavit**"), in order satisfy this requirement, CannTrust Holdings would be required to prepare and file <u>56</u> separate documents, including annual and quarterly financial statements and related MD&A going back to 2018. The preparation and filing of these outstanding financial statements would be a very significant undertaking requiring considerable management time and professional fees and potentially resulting in indeterminate delays.

B. *Phoena Listing Alternative*

11. The second alternative being explored would be to obtain a listing for the common shares of Phoena (the "**Phoena Listing Alternative**").

12. This would involve CannTrust Holdings calling a special meeting of its shareholders to seek approval of a plan of arrangement providing for, at the effective time of the arrangement, among other things:

(a) the transfer and assignment of all of CannTrust Holdings' assets to Phoena;

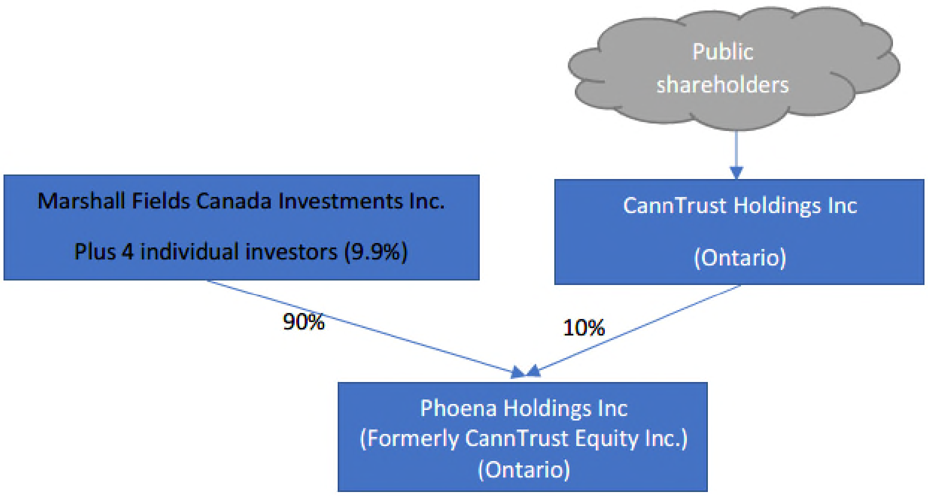
(b) Phoena assuming any residual obligations of CannTrust Holdings that were not discharged upon implementation of the CCAA Plan;

(c) CannTrust Holdings distributing its 10% equity interest in Phoena directly to its shareholders; and

(d) the winding up of CannTrust Holdings.

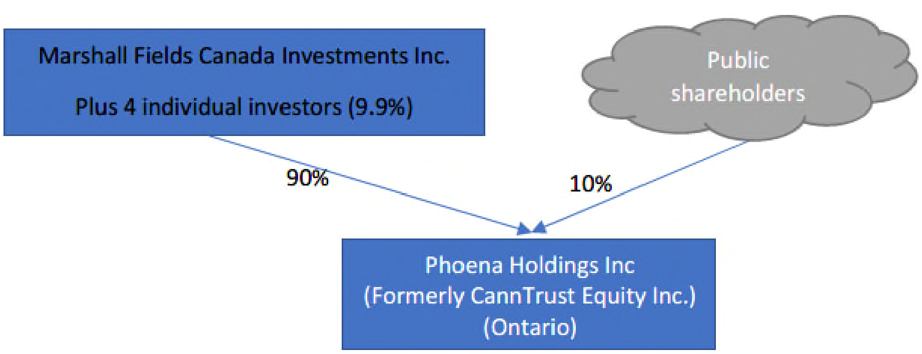
13. CannTrust Holdings intends to structure the plan of arrangement so that there is no negative economic impact to the shareholders of CannTrust Holdings.

14. The following is the current organizational structure of Phoena and its direct and indirect shareholders:



15. The Investor and Individual Investors collectively own a 90% equity interest in Phoena. CannTrust Holdings currently holds a 10% equity interest in Phoena. The general body of CannTrust Holdings shareholders currently hold an indirect 10% equity interest in Phoena. Phoena, in turn, owns the various operating and real estate holding subsidiaries that own the assets of the business.

16. The following would be the organizational structure of Phoena and its direct and indirect shareholders after the completion of the contemplated arrangement:



17. The general body of shareholders would directly own 10% of Phoena. Their ownership interest in the overall business and its assets would remain the same.

18. In order to call the special meeting of shareholders to vote on the plan of arrangement, Phoena would complete audited 2021 carve-out financial statements for Phoena and prepare a management information circular. As set out in further detail in the Blair Affidavit, if the plan of arrangement is approved by shareholders and the Court and Phoena applies to list its shares on the Canadian Securities Exchange (the "**CSE**") it would prepare and file carve-out financial statements for the preceding two years.

19. To streamline the process and prevent any further delays, Phoena would commence the process to obtain a conditional approval to list on the CSE at the same time as CannTrust Holdings is seeking approval of its plan of arrangement from its shareholders and the Court.

C. Board Conditional Approval to Proceed With Phoena Listing Alternative

20. On Tuesday, May 24, 2022, the Board of CannTrust Holdings met to consider the two alternatives set out above. The Board approved management exploring the Phoena Listing Alternative further. CannTrust Holdings is working closely with its advisors to explore the feasibility of the Phoena Listing Alternative considering the constraints imposed by its cash position (as at June 13, 2022, CannTrust Holdings had a cash balance of only approximately $48,000 and Phoena had available liquidity of approximately $8.2 million), accounting requirements and applicable Canadian and United States securities and tax laws.

21. Subject to confirming the feasibility of the Phoena Listing Alternative, it appears to have a number of advantages over the Holdings Listing Alternative from the perspective of the CannTrust Group and shareholders:

(a) First, the Phoena Listing Alternative would involve the preparation of fewer financial statements and other continuous disclosure documents than would be required to pursue the Holdings Listing Alternative. As set out in further detail in the Blair Affidavit, the CannTrust Group has estimated that it would cost in excess of $3 million in professional fees to pursue the Holdings Listing Alternative, and approximately $2 million or less to pursue the Phoena Listing Alternative.

(b) Second, the Phoena Listing Alternative does not require obtaining a discretionary order from the OSC and thus carries less regulatory risk.

(c) Third, pursuing the Holdings Listing Alternative would require Mr. Guyatt and Mr. Blair to sign certificates required under NI 52-109 – *Certification of Disclosure in Issues' Annual and Interim Filings* with respect to periods prior to them joining the CannTrust Group, which they are understandably reticent to do.

(d) Fourth, having Phoena as the public company is consistent with the company's broader re-branding initiative.

22. The CannTrust Group currently expects that, if it is determined that it is feasible to proceed with the Phoena Listing Alternative, that it will complete the necessary financial

statements, management information circular and other continuous disclosure documents and be in a position to call an annual and special meeting of its shareholders to consider the above-referenced plan of arrangement by November 30, 2022, if not sooner.

(ii) Potential Civil and Criminal Liability

23. Given the potential for civil and quasi-criminal liability to be imposed upon me as a director if CannTrust Holdings is required to call an AGM without placing the Required Financial Statements before its shareholders, as set out in the Guyatt Affidavit, I would seriously consider resigning my position before any such meeting were held without the Required Financial Statements.

(iii) Appropriate to Extend Time to Hold AGM and Deliver Financial Statements

24. CannTrust Holdings is seeking an order extending the time for it to call its AGM (which in turn will extend the deadline for completion of its financial statements) until November 30, 2022.

25. If the requested extension is not granted and CannTrust Holdings were required to call an AGM by July 13, 2022, it would have potentially devastating effects on the CannTrust Group and its stakeholders.

26. First, the CannTrust Group may be left without its entire board of directors and its key officers. I have reviewed the Guyatt Affidavit and the Blair Affidavit and understand that Mr. Guyatt and Mr. Blair would also seriously consider resigning their respective positions as director and CEO and Interim CFO of CannTrust Holdings.

27. I believe that it would be difficult if not impossible to fill these positions with qualified individuals promptly, if at all, especially given the CannTrust Group's past regulatory challenges and the Health Canada security clearances and approvals that are necessary in the CannTrust Group's highly regulated industry.

28. Second, the resignation of the entire board of directors and key management personnel may amount to an Event of Default under the Initial DIP and Exit Loan and the Subsequent DIP and Exit Loan. The amount outstanding under the Initial DIP and Exit Loan is approximately $17.3 million (as at June 13, 2022). The amount outstanding under the Subsequent DIP and Exit Loan is approximately $3.1 million (as at June 13, 2022). Upon the occurrence of an Event of Default that is not cured, all of the indebtedness under the Initial DIP and Exit Loan and the Subsequent DIP and Exit Loan would become immediately due and payable. The CannTrust Group does not have the ability to repay the Initial DIP and Exit Loan and the Subsequent DIP and Exit Loan in full should they be accelerated. The Initial DIP and Exit Lender and/or the Subsequent DIP and Exit Lenders may accordingly enforce on their general security against the facilities, equipment and other assets of the CannTrust Group that are necessary to operate its business.

29. As a result, there is a high likelihood that the CannTrust Group would no longer be able to continue as a going concern should the requested extension not be granted.

30. This would be extremely unfortunate considering the significant efforts that were undertaken by the CannTrust Group and its employees, stakeholders and advisors, with the assistance of the Monitor and this Court, to turn around and restructure its business and

emerge from the CCAA Proceedings, as further detailed in the Guyatt Affidavit. These efforts would all have been for naught.

31. It would also have a significant negative impact on the CannTrust Group's approximately 240 employees, the communities of Fenwick and Vaughan in which it operates, its suppliers and other business partners, and the medical and recreational cannabis consumers that rely on its products.

32. The general body of CannTrust Holdings shareholders, meanwhile, would be unlikely to receive much, if any, recovery on the 10% equity interest that was preserved for them at the conclusion of the CCAA Proceedings.

33. On the other side of the ledger, current shareholders will not be prejudiced should the deadline for calling the AGM be extended as, during the period of the requested extension:

(a) CannTrust Holdings will commit to posting the unaudited cash flow forecast and reconciliation that it is required to provide to the Initial DIP and Exit Lender pursuant to the Initial DIP and Exit Loan within 30 days after the end of each calendar quarter on SEDAR;

(b) CannTrust Holdings will comply with its continuous disclosure requirements other than filing financial statements and related documents, such as issuing press releases and other public disclosures as required by applicable law and posting them publicly on SEDAR; and

(c) any trading in CannTrust Holdings' common shares in Canada has been enjoined by the CTO.

34. The checks and balances that an AGM and the delivery of financial statements are intended to provide will be largely in place over the duration of the requested extension.

35. Accordingly, I believe that, on balance, the requested extension strongly benefits the shareholders of CannTrust Holdings, along with the CannTrust Group and its other stakeholders.

(iv) Notice to Shareholders

36. Given the amount of time required and the associated cost, it would not be practicable or cost-efficient to provide notice of this motion by mail or similar means to each of the individual shareholders of CannTrust Holdings. Accordingly, CannTrust Holdings proposes to provide notice of this motion as follows:

(a) CannTrust Holdings will issue a press release substantially in the form attached as **Exhibit "A"** advising of its intention to bring this motion, together with the hearing date and location, at least ten (10) days in advance of the hearing;

(b) CannTrust Holdings will file the press release with the applicable Canadian securities regulatory authorities and it will be made publicly available on SEDAR;

(c) CannTrust Holdings will post its motion record, factum and the videoconference details for the hearing on a public shared folder on Sync.com and include a link to that folder in the above-mentioned press release;

(d) the motion record and factum of CannTrust Holdings for this motion will be posted on the Monitor’s Website and served on the Service List; and

(e) should the requested order be granted by this Court, CannTrust Holdings will issue a press release substantially in the form attached as **Exhibit “B”** advising of the issuance of the order, and will file the press release with the applicable Canadian securities regulatory authorities.

37. I believe that the above measures will result in this motion coming to the attention of the current shareholders of CannTrust Holdings and is the most practical and cost-effective means of providing such notice.

(v) Conclusion

38. For these reasons, I believe the relief requested is in the best interests of the CannTrust Group and its stakeholders and is necessary and appropriate in the circumstances.

SWORN BEFORE ME remotely by videoconference on this 23rd day of June, 2022 in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely. The affiant was located in the City of Denver, in the State of Colorado, and the Commissioner was located in the City of Toronto, in the Province of Ontario.

Daniel J Hogan

Dan Hogan

N Rambaran

A Commissioner for taking Affidavits
Name: Natasha Rambaran (LSO# 80200N)

TAB A

This is Exhibit **"A"** referred to in the
Affidavit of **Dan Hogan,**
sworn before me on June 23, 2022

NRambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Applies to Ontario Court to Extend Time for Annual General Meeting and Provides Update Regarding Strategic Review

VAUGHAN, ON, June 23, 2022 /CNW/ – CannTrust Holdings Inc. (the "Company" or "CannTrust") (unlisted), minority investor in Phoena Holdings Inc.("Phoena", formerly CannTrust Equity Inc.) today announced that it is seeking an order from the Ontario Superior Court of Justice (the "Court") extending the time for the Company to call the next annual meeting of its shareholders. The Company also provided an update concerning its board of directors' (the "Board") review of strategic alternatives.

The Court previously issued an order extending the time for the Company to call the next annual general meeting ("AGM") of its shareholders to a date no later than 120 days following the completion of the Company's proceedings under the Companies' Creditors Arrangement Act ("CCAA"). The Company emerged from its CCAA proceedings on March 15, 2022 and is currently required to call the next annual meeting of shareholders on or before July 13, 2022. The Company requires additional time to prepare certain audited financial statements and other information which are required to be presented to the shareholders at each annual meeting. It has been working with its auditors, MNP LLP, to complete these audited financial statements but will be unable to do so before July 13, 2022. It is therefore requesting an extension from the Court to a date no later than November 30, 2022.

The motion is scheduled to be heard by the Court on July 7, 2022 at 10:00 a.m. EST. In support of the motion, the Company will today file with the Court the following materials (collectively, the "Court Materials"): a Motion Record containing the Notice of Motion, affidavits from Greg Guyatt, David Blair and Dan Hogan and a draft Order. The Court Materials are available at https://ln5.sync.com/dl/3460270d0/8szhn4iv-8tiac58r-f6b2rwde-v2iwj2q6. The Company will post a Zoom link for the hearing at the same location once it is provided by the Court.

The Company previously announced that it intends to explore alternatives for either applying to the Ontario Securities Commission ("OSC") for an order revoking the OSC's "failure-to-file" Cease Trade Order dated April 13, 2020 ("CTO") and listing the Company's common shares on a Canadian stock exchange or for taking steps to exchange the Company's common shares for common shares of Phoena and obtaining a Canadian stock exchange listing for Phoena's common shares. The Company is working closely with its advisors to devise a corporate structure that will be aimed at delivering modest incremental value to its shareholders, but in a manner that appropriately balances the constraints imposed by its cash position, accounting requirements and applicable Canadian and United States securities and tax laws. The Board's deliberations are ongoing and progressing, but there can be no assurance that the Company will be able to execute successfully on either strategic alternative.

The Board anticipates being in a position to complete its review, obtain any requisite audited financial statements and disclose its findings, and any related recommendations for approval by the Company's shareholders, before the Company's next shareholders meeting to be held by November 30, 2022, subject to the Court providing the relief noted above.

About CannTrust

CannTrust is a holding company and its primary asset is comprised of an approximate 10% equity interest in Phoena. Although CannTrust is a reporting issuer under the laws of each of the Canadian provinces except for Quebec, it remains subject to the CTO and its common shares have been delisted by the Toronto Stock Exchange and the New York Stock Exchange.

About Phoena

Phoena is an award-winning, federally regulated licensed cannabis producer, with locations in Vaughan and Fenwick, Ontario. Phoena operates a portfolio of well-known brands, including estora, Liiv, SYNR.G and Xscape.

Phoena is committed to providing exceptional consumer experience, quality products and consistency. Phoena's greenhouse produces Grade A cannabis flower, which is sold in a variety of dried flower and extract formats.

Phoena creates cannabis products that meet the diverse needs of patients and consumers, promoting positivity, supporting creativity, and inspiring confidence.

Phoena, empowering you every day.

Learn more at Phoena.com

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to the Company's efforts to resolve certain securities regulatory and stock exchange issues, some of which have not been finalized and remain subject to completing further analyses, obtaining shareholder and creditor approval and satisfying the requirements of securities regulators and a stock exchange. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the risk that, if Phoena requires additional equity, the Company's investment in Phoena could be diluted further; the risk that Phoena or its affiliates could default under its credit facilities from Cortland Credit Lending Corporation or Marshall Fields International B.V., which are secured against substantially all of Phoena and the Company's assets; the risk that the Company will not be able to cure its disclosure defaults under securities laws and obtain an order from the OSC to revoke the CTO, on commercially reasonable terms, or at all; the impact of any regulatory and other investigations or proceedings; the risks associated with general economic conditions and/or adverse industry events; the risk of loss of markets; the risk of future legislative and regulatory developments in

Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; the ability of the Company to attract and retain suitable directors, officers and employees; the risks that, even if the CTO can be revoked, the Company will be unable to obtain a stock exchange listing for the Company's common shares; the risk that neither the Company nor Phoena will be able to satisfy the requirements of such exchange; and the ability of Phoena to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in the Company's Annual Information Form dated March 28, 2019 (the "AIF") and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit the Company's Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the "March 2019 Form 40-F"). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that the Company remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company was permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company's securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company's securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust's failure to comply with its disclosure obligations under applicable securities laws.

For further information: Media Relations: media@phoena.com;

Investor Relations: investor@phoena.com

TAB B

This is Exhibit **"B"** referred to in the
Affidavit of **Dan Hogan,**
sworn before me on June 23, 2022

N Rambaran

A Commissioner for taking Affidavits (or as may be)
Natasha Rambaran LSO #: 80200N

CannTrust Extends Time to Call Annual General Meeting

VAUGHAN, ON, July [7], 2022 /CNW/ – CannTrust Holdings Inc. ("CannTrust" or the "Company") (unlisted), today announced that the Ontario Superior Court of Justice granted an order extending the time for CannTrust to call the next annual meeting of its shareholders to a date no later than November 30, 2022.

Further details are available on CannTrust's investor relations page at https://phoena.com/investors/ and on the website of the Monitor for CannTrust's proceedings under the Companies' Creditors Arrangement Act ("CCAA") proceedings at https://www.ey.com/ca/canntrust.

About CannTrust

CannTrust is a holding company and its primary asset is comprised of an approximate 10% equity interest in Phoena. Although CannTrust is a reporting issuer under the laws of each of the Canadian provinces except for Quebec, it remains subject to the CTO and its common shares have been delisted by the Toronto Stock Exchange and the New York Stock Exchange.

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbor laws, and such statements are based upon CannTrust's current internal expectations, estimates, projections, assumptions and beliefs and views of future events.

Forward-looking information and forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information and statements in this news release include statements relating to the Company's efforts to resolve certain securities regulatory and stock exchange issues, some of which have not been finalized and remain subject to completing further analyses, obtaining shareholder and creditor approval and satisfying the requirements of securities regulators and a stock exchange. Forward-looking information and statements necessarily involve known and unknown risks, including, without limitation: the risk that, if Phoena requires additional equity, the Company's investment in Phoena could be diluted further; the risk that Phoena or its affiliates could default under its credit facilities from Cortland Credit Lending Corporation or Marshall Fields International B.V., which are secured against substantially all of Phoena and the Company's assets; the risk that the Company will not be able to cure its disclosure defaults under securities laws and obtain an order from the OSC to revoke the CTO, on commercially reasonable terms, or at all; the impact of any regulatory and other investigations or proceedings; the risks associated with general economic conditions and/or adverse industry events; the risk of loss of markets; the risk of future legislative and regulatory developments in Canada, the United States and elsewhere; the state of the cannabis industry in Canada generally; the ability of the Company to attract and retain suitable directors, officers and employees; the risks that, even if the CTO can be revoked, the Company will be unable to obtain a stock exchange listing for the

Company’s common shares; the risk that neither the Company nor Phoena will be able to satisfy the requirements of such exchange; and the ability of Phoena to successfully implement its business strategies.

Any forward-looking information and statements speak only as of the date on which they are made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. When considering these forward-looking information and statements, readers should keep in mind the risk factors and other cautionary statements in the Company’s Annual Information Form dated March 28, 2019 (the “AIF”) and filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and filed as an exhibit the Company’s Form 40-F annual report under the United States Securities Exchange Act of 1934, as amended, with the United States Securities and Exchange Commission on EDGAR at www.sec.gov (the “March 2019 Form 40-F”). The risk factors and other factors noted in the AIF could cause actual events or results to differ materially from those described in any forward-looking information or statements. Readers are also reminded that the Company remains in default of its periodic disclosure requirements under applicable securities laws and stock exchange requirements, that its most recent AIF, Form 40-F and other disclosures do not reflect all risk factors that currently face the Company, and that the Company has not completed or filed the restatements of the financial statements included in the AIF or the March 2019 Form 40-F or otherwise filed an amendment to such Form 40-F, and that the Company was permitted by the Initial Order of the Superior Court of Justice to not to correct its prior filings or make any further filings in respect of periodic disclosure requirements under applicable securities laws and stock exchange requirements. None of the Company’s securities is listed for trading on any stock exchange in any jurisdiction and, in Canada, trading in the Company’s securities is subject to a cease-trade order issued on April 13, 2020 by the Ontario Securities Commission for CannTrust’s failure to comply with its disclosure obligations under applicable securities laws.

For further information: Media Relations: media@phoena.com;

Investor Relations: investor@phoena.com

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 DAN HOGAN
(Sworn June 23, 2022)

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Lawyers for the Applicants

MTDOCS 44851820

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 7TH
	)	
MR. JUSTICE PENNY	)	DAY OF JULY, 2022

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

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

Applicants

ORDER
(AGM Deadline Extension)

THIS MOTION, made by CannTrust Holdings Inc. ("**CannTrust Holdings**"), 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 November 30, 2022; and

(ii) validating service of the notice of motion and motion materials in the manner described in the affidavit of Dan Hogan sworn June 23, 2022 and the Exhibits thereto (the "**Hogan Affidavit**");

was heard this day by way of judicial video conference.

ON READING the affidavit of Greg Guyatt sworn June 23, 2022, the affidavit of David Blair sworn June 23, 2022 and the Hogan Affidavit, and on hearing the submissions of counsel for CannTrust Holdings 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 CannTrust Holdings:

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 36 of the Hogan 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 November 30, 2022.

GENERAL

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

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

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist CannTrust Holdings and its agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that CannTrust Holdings is 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.

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)

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Lawyers for CannTrust Holdings Inc.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

MOTION RECORD

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