Court File No.: CV-22-00688966-00CL

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 THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC. AND 14588495 CANADA INC. (collectively, the "**Applicants**")

MOTION RECORD
(Returnable January 30, 2024)

January 23, 2024

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Court File No.: CV-22-00688966-00CL

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INDEX

TAB 1

Court File No. CV-22-00688966-00CL

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 THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC. AND 14588495 CANADA INC. (collectively, the "**Applicants**")

NOTICE OF MOTION
(Re: Termination of CCAA Proceedings)

The Flowr Corporation ("**Flowr**"), The Flowr Canada Holdings ULC ("**Flowr Holdings**"), Terrace Global Inc. and 14588495 Canada Inc. ("**ResidualCo**" and collectively, the "**Flowr Group**" or the "**Applicants**") will make a motion before Justice Kimmel on Tuesday, January 30, 2024 at 11:00 a.m. Eastern Standard Time or as soon after that time as the motion can be heard via Zoom videoconference.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference at the following location:

- [ ] In person;
- [ ] By telephone conference;
- [X] By video conference.

Zoom link to be uploaded on Caselines.

THE MOTION IS FOR:

1. An Order, substantially in the form attached at **Tab 2** of the Applicants' Motion Record herein (the "**CCAA Termination Order**") *inter alia*:

(a) if necessary, abridging the time for service of this Notice of Motion and the corresponding Motion Record and dispensing with service on any person other than those served;

(b) approving the Fourth Report of Ernst & Young Inc., in its capacity as monitor of the Applicants (the "**Monitor**" or "**EY**") dated January 27, 2023 (the "**Fourth Report**") and the Seventh Report of the Monitor, to be filed (the "**Seventh Report**"), and the activities, conduct and decisions of the Monitor set out therein;

(c) approving the fees and disbursements of the Monitor and its legal counsel, Thornton Grout Finnigan LLP, as described in the Seventh Report and the fee affidavits appended thereto (the "**Fee Affidavits**") including the estimate of fees to the conclusion of these CCAA Proceedings (the "**Fee Estimates**");

(d) terminating the Applicants' CCAA Proceedings, effective upon the Monitor serving a certificate substantially in the form of Schedule "A" to the CCAA Termination Order (the "**Termination Certificate**") on the Service List in these CCAA Proceedings (the "**CCAA Termination Time**");

(e) effective at the CCAA Termination Time:

(i) terminating, releasing and discharging the Charges as defined in the Initial Order;

(ii) discharging EY as Monitor of the Applicants; and

(iii) releasing EY from any and all liability that EY has or may have by reason of, or in any way arising out of, the acts or omissions of EY while acting in its capacity as Monitor of the Applicants, save and except for any gross negligence or wilful misconduct on the Monitor's part; and

(f) extending the Stay Period from January 31, 2024 up to and including the CCAA Termination Time.

2. Such further and other relief that the Monitor may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background and Commencement of these CCAA Proceedings

1. Capitalized terms used herein and not defined shall have the meanings ascribed to them under the Initial Order dated October 20, 2022 (as amended and restated, the "**Initial Order**"), the affidavits of Darren Karasiuk sworn on December 9, 2022 (the "**December 9 Affidavit**") and January 23, 2022 (the "**January 23 Affidavit**"), the Fourth Report or the Seventh Report.

2. The Flowr Group was a licenced producer and distributor of cannabis with its head office being located in Toronto, Ontario and its operations being located in Kelowna, British Columbia. The Flowr Group, through The Flowr Group (Okanagan) Inc. ("**Flowr Okanagan**"), was licensed by Health Canada to sell cannabis products.

3. The Applicants brought an application returnable on October 20, 2022 before the Ontario Superior Court of Justice (Commercial List) for the Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c, C-36 (the "**CCAA**").

4. Pursuant to the Initial Order, among other things:

(a) the Applicants are companies to which the CCAA applies;

(b) EY was appointed as Monitor of the Applicants in these CCAA Proceedings;

(c) a stay of proceedings was granted for an initial Stay Period up to October 30, 2022;

(d) a DIP Commitment Letter between the Applicants and 1000343100 Ontario Inc. (in such capacity, the "**DIP Lender**") was approved and the Court authorized borrowings thereunder in an amount up to $500,000 (plus interest, fees and expenses), and granted a charge in favour of the DIP Lender (the "**DIP Lender's Charge**"); and

(e) the following charges against the Property were granted, in the following priority rankings:

(i) First – Administration Charge (to the maximum amount of $350,000);

(ii) Second – DIP Lender's Charge; and

(iii) Third – Directors' Charge (to the maximum amount of $600,000).

5. The Initial Order was amended and restated on October 28, 2022, wherein, among other things:

(a) the Stay Period was extended to January 13, 2023;

(b) the authorized amount of borrowings under the DIP Commitment Letter was increased to $2,000,000 to reflect the financing requirements of the Applicants during the Stay Period;

(c) the Administration Charge was increased from $350,000 to $500,000 to reflect the additional work to be undertaken during these CCAA Proceedings and more accurately reflect projected professional fees;

(d) the Directors' Charge was increased from $600,000 to $800,000 to reflect the potential monthly director liabilities as sized with the assistance of the Monitor; and

(e) a key employee retention plan (the "**KERP**") was approved and a charge over the Property of the Applicants in favour of the proposed KERP beneficiaries in the aggregate amount of $800,000 was granted ranking behind the Directors' Charge.

The SISP Process and Transaction

6. On October 28, 2022, the Court also granted an order (the "**SISP Order**"), authorizing the Monitor to conduct a sale and investment solicitation process (the "**SISP**") in respect of the Applicants.

7. On November 3, 2022, the Court granted an order that, among other things, authorized Flowr Holdings, as vendor (the "**Vendor**"), and Flowr Okanagan (then the Flowr Group's main operating entity) to enter into a stalking horse purchase agreement dated October 31, 2022 (the

"**Stalking Horse Purchase Agreement**") with 1000343100 Ontario Inc. (in such capacity, the "**Stalking Horse Bidder**").

8. The Monitor's third report dated December 13, 2022, described in detail the conduct and results of the SISP, which concluded, after an Auction was held by the Monitor, with an amended and restated Stalking Horse Purchase Agreement dated December 1, 2022 (the "**Sale Agreement**") being entered into between the Vendor, Flowr Okanagan and Avant Brands K1 Inc. (formerly, the Stalking Horse Bidder) (the "**Purchaser**") as the Successful Bid.

9. Further background evidence regarding the Applicants and the SISP can be found in the December 9 Affidavit and the January 23 Affidavit.

10. The Sale Agreement contemplated, among other things, a sale of all of the issued and outstanding common shares of Flowr Okanagan following the implementation of a Pre-Closing Reorganization (*i.e.*, a reverse vesting structure as described in detail in Exhibit "A" to the Sale Agreement), achieving a transfer of substantially all of the then Applicants' assets and operations to the Purchaser (the "**Transaction**").

11. On December 16, 2022, the Court granted an order, which was subsequently amended and restated on January 30, 2023 (as amended, the "**Approval and Vesting Order**"). The Approval and Vesting Order, among other things:

(a) approved the Sale Agreement, including certain steps with respect to the Pre-Closing Reorganization;

(b) extended the Stay Period to February 26, 2023;

(c) approved the addition of ResidualCo as an Applicant upon the closing of the Transaction;

(d) approved the termination of the CCAA Proceedings in respect of Flowr Okanagan upon closing of the Transaction; and

(e) authorized an expansion of the Monitor's powers following the completion of the Transaction.

12. The Transaction successfully closed on February 2, 2023 in accordance with the terms of the Sale Agreement, after the Applicants finished implementing the Pre-Closing Reorganization steps. The purchase price of the Transaction (the "**Purchase Price**") was the sum of $5,115,000, plus the amount of the Closing DIP Loan and the Assumed Liabilities (both as defined in the Sale Agreement).

13. The Purchase Price was satisfied as follows:

(a) the DIP Facility was repaid in full by a portion of the Purchase Price allocated to the credit bid upon the Closing;

(a) the Sale Agreement provided for the payment of a portion of the Purchase Price in the cash equivalent amount of $1.1 million in the form of free trading Avant Shares. As a result, the Applicants received 6,337,117 Avant Shares that were calculated at a 15% discount to the volume weighted average price per Avant Share on the Toronto Stock Exchange for the 10 consecutive trading days preceding the Closing. The Avant Shares were held by Flowr Holdings prior to their distribution to the

Debenture Holders based upon their registered Debenture holdings as of the Filing Date received from Computershare as described below;

(b) in addition, certain KERP participants elected to receive their payments in the form of Avant Shares, resulting in the direct issuance of Avant Shares with a cash equivalent value of $165,000 to these individuals;

(c) in accordance with the Sale Agreement, the Purchaser transferred the remaining balance of the Purchase Price in cash, which was $1,651,514, to the Monitor's trust account; and

(d) the Sale Agreement provides that the amount borrowed from a further DIP facility (the "**Closing DIP Loan**") provided by the Purchaser will also form part of the Purchase Price. In the lead-up to the Closing, the Applicants drew a total of $500,000 from the Closing DIP Loan to fund operations prior to the Closing and to fund post-Closing wind-down activities.

14. The Applicants' officers and directors resigned immediately prior to the closing of the Transaction and as a result, the Applicants have relied on the assistance and supervision of the Monitor, legal counsel and the services of consultants, including Darren Karasiuk, the former CEO of Flowr who agreed to assist with the wind-down process as a consultant.

15. The Monitor's powers were expanded upon the closing of the Transaction to wind-down the Applicants and complete the administration of these CCAA Proceedings.

16. Following the closing of the Transaction, the Applicants had no further operations and retained one employee to assist with accounting and tax matters until May 2023. Thereafter, the employee continued to assist with the wind-down process as a consultant.

17. On or about February 13, 2023, the Applicants, with the assistance of their payroll services provider and the Monitor, processed payments totalling $547,000 in respect of KERP payments that became payable in accordance with the Transaction to the KERP participants who elected to receive their KERP entitlements in cash.

18. On February 24, 2023, the Court granted an Order that, *inter alia*, (i) extended the Stay Period until July 31, 2023, and (ii) approved the fees of the Monitor and its legal counsel.

The Debenture Holders and Distributions Approved

19. On April 27, 2020, Flowr and Computershare entered into the Debenture Indenture, which provided for the issuance of secured debentures (the "**Debentures**"). There were 26 Debentures with a combined principal amount owing of $4.966 million, which were held by 26 separate debenture holders (collectively, the "**Debenture Holders**").

20. On July 21, 2023, the Court granted an Order (the "**Distribution Order**"), *inter alia*, authorizing the Monitor to make the following distributions:

(a) from the Avant Shares held by Flowr Holdings, a distribution of all such shares to the Debenture Holders on a *pro rata* basis up to the amount of their indebtedness; and

(b) from the funds held by the Monitor in trust for the Applicants, subject to any reserve established by the Monitor in its sole discretion to ensure sufficient funds are available to address any property claims including, without limitation, the Charges granted under the Initial Order (the "**Reserve**"), a cash distribution to the Debenture Holders on a *pro rata* basis, based upon their registered Debenture holdings as of the Filing Date as received from Computershare, up to the amount of their indebtedness.

21. Pursuant to the Distribution Order:

(a) the Debenture Indenture was terminated and Computershare was permanently released and discharged from any duties and liabilities in acting in its capacity as trustee under the Debenture Indenture;

(b) the Sixth Report of the Monitor dated July 14 2023 and the activities and conduct of the Monitor set out therein were approved; and

(c) the Stay Period was extended from July 31, 2023 to January 31, 2024.

22. From and after the closing of the Transaction to date, the Applicants have, with the assistance of the Monitor and Mr. Karasiuk, continued to wind-down their operations. Such wind-down activities included, among other things:

(a) working with Canada Revenue Agency ("**CRA**") to address audit requests (CRA has since closed all of the audit requests);

(b) working with an external accountant to complete corporate tax returns for the fiscal year ending December 31, 2022, the stub period ending February 1, 2023 and for the fiscal year ending December 31, 2023;

(c) engaging in discussions with Purchaser's advisors to address remaining matters under the Sale Agreement;

(d) communicating with Computershare as agent for the principal secured Debenture Holders, to discuss the distribution of the Avant Shares and available cash; and

(e) continuing to file HST returns and collecting refunds relating to same.

23. Following the closing of the Transaction, the Applicants have satisfied all post-filing obligations that were not assumed by the Purchaser by making necessary disbursements in respect of such post-filing obligations and, where necessary and with the consent of the Monitor, disclaiming certain agreements.

24. The Applicants have processed certain other disbursements relating to the CCAA Proceedings since the closing of the Transaction, including payroll, restructuring costs and general overhead expenses.

25. On or about October 9, 2023, the Monitor and Computershare completed the distribution of the Avant Shares to the Debenture Holders and the KERP participants who elected to receive their KERP entitlements in Avant Shares.

26. The Monitor has not made a cash distribution to the Debenture Holders to date and intends to do so prior to the filing of the Termination Certificate.

27. The Applicants are working with their external tax accountant to complete HST returns for the period ending December 31, 2023, and corporate tax returns for the 2023 fiscal year. This will allow the Monitor to identify and address any potential priority claims prior to making a single cash distribution as described in the Monitor's Seventh Report.

28. Other than certain outstanding tax issues and the cash distribution to the Debenture Holders to be made by the Monitor in accordance with the Distribution Order, there are no remaining material items to be addressed in these CCAA Proceedings.

Relief Sought

Approval of Monitor's Fourth Report, Seventh Report, Activities and Fees

29. Save and except for the Fourth Report and the Seventh Report, the Monitor's other Reports and its activities, conduct and decisions therein have already been approved by the Court. The Applicants now seek the approval of the Monitor's Fourth Report and Seventh Report and its activities, conduct and decisions set out therein.

30. The fees and disbursements of the Monitor and its counsel, Thornton Grout Finnigan LLP, since February 10, 2023 are set out in the Monitor's Seventh Report and the Fee Affidavits appended thereto. Included therein are Fee Estimates to the conclusion of these CCAA Proceedings.

31. The Monitor and its counsel have maintained detailed records of their professional time and costs since the commencement of these CCAA Proceedings as detailed in the Fee Affidavits.

32. Pursuant to paragraphs 29 and 30 of the Initial Order, the Monitor and its counsel, shall be paid their reasonable fees and disbursements and shall pass their accounts before this Court. In

addition, pursuant to paragraph 31 of the Initial Order, the Monitor and its counsel (along with the Applicants' counsel) were granted an Administration Charge on the Property of the Applicants as security for their fees and disbursements.

33. The Applicants are of the view that the fees and disbursements incurred by the Monitor and its counsel, as described in the Fee Affidavits are fair and reasonable in the circumstances. Further, the Monitor has acted in good faith and due diligence throughout these CCAA Proceedings. The Applicants respectfully request that the Court approve the Monitor's and its counsel's fees and disbursements, including the Fee Estimates as set out in the Seventh Report and the Fee Affidavits.

Termination of the CCAA Proceedings, the Court Ordered Charges and the Monitor's Discharge and Release

34. The Applicants are seeking an order terminating these CCAA Proceedings and discharging and releasing the Monitor upon the service of a Termination Certificate by the Monitor on the Service List.

35. At the CCAA Termination Time (which occurs upon service of the Termination Certificate on the Service List), the Applicants also seek to terminate all court-ordered priority charges, including the Administration Charge, the DIP Lender's Charge, the KERP Charge and the Directors' Charge.

36. As set out in the Seventh Report, there are no material steps remaining in these CCAA Proceedings once the remaining accounting and tax matters are resolved and the Monitor makes the distribution of any remaining cash in accordance with the Distribution Order.

37. The Applicants and the Monitor have complied with their obligations and carried out their responsibilities under the CCAA and the Orders granted by this Honourable Court.

38. The objectives of these CCAA Proceedings have been accomplished.

Extension of the Stay Period

39. The current Stay Period expires on December 8, 2023. The Applicants request an extension of the Stay Period up to the CCAA Termination Time.

40. The Applicants have acted and continue to act in good faith and with due diligence in pursuing the orderly conclusion of the CCAA Proceedings, and the requested relief is appropriate.

41. The extension of the Stay Period will allow sufficient time for the post-Closing matters to be concluded. It is most economical for the stakeholders to extend the Stay Period until the filing of the Termination Certificate.

42. It is anticipated that the Applicants will have sufficient liquidity, combining the cash on hand and funds held by the Monitor as described in the Seventh Report, to fund the remainder of these CCAA Proceedings prior to making a cash distribution to the Debenture Holders, in accordance with the Distribution Order.

43. The relief sought on this Motion is appropriate in the circumstances and is supported by the Monitor.

General

44. The provisions of the CCAA and the statutory, inherent and equitable jurisdiction of this Honourable Court.

45. The *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, including Rules 1.04, 1.05, 2.03, 3.02, 16, 37, and 59.06.

46. Sections 97, 100, 106 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43; and

47. Such further and other grounds as counsel may advise and this Court may permit.

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

(a) the Seventh Report, to be filed; and

(b) such further and other evidence as counsel may advise and this Honourable Court may permit.

January 23, 2024

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Lawyers for the Applicants

TO: THE SERVICE LIST ATTACHED HERETO AS **SCHEDULE “A “**

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AND TO:	**ATTORNEY GENERAL OF CANADA** Per: Diane Winters, General Counsel Department of Justice 120 Adelaide Street West Suite 400 Toronto, Ontario M5H 1T1 **Diane H. A. Winters** diane.winters@justice.gc.ca Tel : 647.256.7459 Fax: 416.973.0810 Counsel to the Canada Revenue Agency

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

Court File No. CV-22-00688966-00CL

THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC., AND 14588495 CANADA INC. (the "**Applicants**")

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

NOTICE OF MOTION
(Returnable January 30, 2024)

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Lawyers for the Applicants

TAB 2

Court File No. CV-22-00688966-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 30th
	)	
JUSTICE KIMMEL	)	DAY OF JANUARY, 2024

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 THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC. AND 14588495 CANADA INC. (collectively, the "**Applicants**")

CCAA TERMINATION ORDER

THIS MOTION, made by the Applicants for an order, *inter alia*, (i) approving the activities, conduct and reports of Ernst & Young Inc., in its capacity as monitor of the Applicants (the "**Monitor**" or "**EY**"); (ii) approving the fees and disbursements of the Monitor and the Monitor's legal counsel, Thornton Grout Finnigan LLP, as described in the Fourth Report of the Monitor dated January 27, 2023 (the "**Fourth Report**") and the Seventh Report of the Monitor dated January ●, 2024 (the "**Seventh Report**"), and the fee affidavits appended thereto (the "**Fee Affidavits**"); (iii) terminating these CCAA proceedings at the CCAA Termination Time (as defined below); (iv) discharging and releasing EY as the Monitor at the CCAA Termination Time and (v) extending the stay of proceedings up to and including the CCAA Termination Time, was heard this day via Zoom videoconference.

ON READING the Motion Record of the Applicants dated January 2●, 2024 and the Seventh Report, including the Fee Affidavits, and on hearing the submissions of counsel for the

Applicants, counsel for the Monitor, no one else appearing for any other person on the service list, although duly served from the affidavit of ● sworn ●, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the Initial Order dated October 20, 2022 (as amended and restated, the "**Initial Order**"), and the Seventh Report.

APPROVAL OF MONITOR'S FOURTH REPORT, SEVENTH REPORT, ACTIVITIES AND FEES

3. **THIS COURT ORDERS** that the Fourth Report and the Seventh Report, and the activities, conduct and decisions of the Monitor, as set out in the Fourth Report and Seventh Report are hereby ratified and approved, provided that only the Monitor, in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, Thornton Grout Finnigan LLP, as set out in the Seventh Report and the Fee Affidavits appended thereto, including the fee estimates set out therein be and are hereby approved.

TERMINATION OF CCAA PROCEEDINGS

5. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule "A"** (the "**Termination Certificate**") on the service list in these CCAA proceedings certifying that, to the best of the knowledge and belief of

the Monitor, all matters to be attended to in connection with the CCAA proceedings have been completed including, without limitation the matters set out in the Seventh Report, the within CCAA proceedings shall be terminated without any further act or formality (the "**CCAA Termination Time**"), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any action or steps taken by any Person pursuant thereto.

6. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the service list in these CCAA proceedings.

7. **THIS COURT ORDERS** that the Charges shall be terminated, released and discharged as of the CCAA Termination Time without any further act or formality.

DISCHARGE AND RELEASE OF MONITOR

8. **THIS COURT ORDERS** that effective at the CCAA Termination Time, Ernst & Young Inc. shall be and is discharged from its duties as the Monitor in these CCAA proceedings and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, Ernst & Young Inc. shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required or appropriate ("**Remaining Activities**").

9. **THIS COURT ORDERS** that, notwithstanding its discharge and the termination of this CCAA proceeding, nothing herein shall affect, vary, derogate from, limit or amend, and Ernst & Young Inc. and its counsel shall continue to have the benefit of, any of the protections rights,

approvals, releases, protections and stays of proceedings in favour of the Monitor and its counsel at law or pursuant to the CCAA or any Order of this Court in these CCAA proceedings or otherwise, all of which are expressly continued and confirmed from and after the CCAA Termination Time, including in connection with any actions that may be taken by the Monitor following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings.

10. **THIS COURT ORDERS AND DECLARES** that Ernst & Young Inc. and its counsel are hereby released and discharged from any and all liability that Ernst & Young Inc. and its counsel now have or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Ernst & Young Inc., or its counsel, while Ernst & young Inc. was acting in its capacity as Monitor herein, save and except for any gross negligence or wilful misconduct on the Monitor or its counsel's part. Without limiting the generality of the foregoing, Ernst & Young Inc. and its counsel are hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within CCAA proceedings, save and except for any gross negligence or wilful misconduct on the Monitor or its counsel's part.

11. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against Ernst & Young Inc. or its legal counsel in any way arising from or related to Ernst &Young Inc.'s capacity or conduct as Monitor, except with prior leave of this Court and on not less than seven (7) days' prior written notice to Ernst & Young Inc. and its legal counsel, as applicable.

EXTENSION OF THE STAY PERIOD

12. **THIS COURT ORDERS** that the Stay Period is hereby extended from January 31, 2024 to the CCAA Termination Time.

ADVICE AND DIRECTIONS

13. **THIS COURT ORDERS** that the Monitor, or any interested parties, may at any time apply to this Court for advice and directions in respect of any matter, including the implementation and interpretation of this Order.

GENERAL

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction 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 or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

15. **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 the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

16. **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 without any need for filing or entry.

SCHEDULE "A"

FORM OF TERMINATION CERTIFICATE

Court File No. CV-22-00688966-00CL

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 THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC. AND 14588495 CANADA INC. (collectively, the "**Applicants**")

TERMINATION CERTIFICATE

RECITALS

1. Ernst & Young Inc. ("**EY**") was appointed as the Monitor of the Applicants in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice Cavanagh (Commercial List) (the "**Court**") dated October 20, 2022 (as amended and restated the "**Initial Order**").

2. Pursuant to an Order of this Court dated January 30, 2024 (the "**CCAA Termination Order**"), among other things, EY shall be discharged as the Monitor and the Applicants' CCAA proceedings shall be terminated upon the service of this Termination Certificate on the service list in these CCAA proceedings.

3. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the Initial Order or the CCAA Termination Order, as applicable.

THE MONITOR CERTIFIES the following:

4. To the knowledge of the Monitor, all matters to be attended to in connection with the Applicants' CCAA proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred upon the service of this Termination Certificate on the Service List in these CCAA Proceedings.

DATED at Toronto, Ontario this ________________ day of _______________, 2024.

Ernst & Young Inc. Inc. in its capacity as the Court-appointed Monitor for the Applicants and not in its personal or corporate capacity

Per: ______________________________

Name: Alex Morrison
Title: Senior Vice President

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

Court File No. CV-22-00688966-00CL

THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC., AND 14588495 CANADA INC. (the "**Applicants**")

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

CCAA TERMINATION ORDER

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Lawyers for the Applicants

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE FLOWR CORPORATION, THE FLOWR CANADA HOLDINGS ULC, TERRACE GLOBAL INC. AND 14588495 CANADA INC. (collectively, the “**Applicants**”)

Court File No.: CV-22-00688966-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(Returnable January 30, 2024)

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