

COURT FILE NUMBER 2401-17986

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

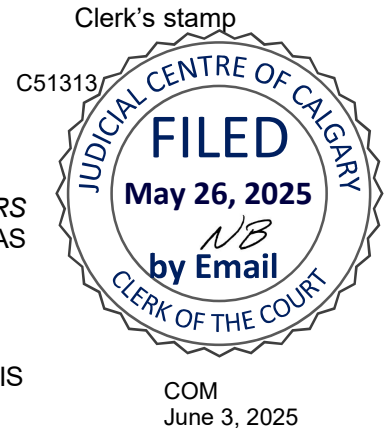
MATTER IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.

APPLICANT 420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
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File No.: 155857.1002

**AFFIDAVIT NO. 9 OF SCOTT MORROW**  
**SWORN MAY 26, 2025** (Public Version)

I, Scott Morrow, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("**CEO**") of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"). I have been the CEO of FOUR20 since January 1, 2021, and a member of the boards of directors since May 6, 2021.
2. I am responsible for overseeing the operations of the Applicants, their liquidity management, and, ultimately, for assisting in their restructuring process. Because of my involvement with the Applicants, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records and have spoken with certain of the directors, officers

and/or employees of the Applicants, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of the application of FOUR20 for orders sanctioning the Plan (the **"Plan Sanction Order"**), terminating the within CCAA Proceedings and discharging the Monitor (the **"Termination and Discharge Order"**), and sealing **Confidential Exhibit "1"** to this Affidavit.
4. All terms used but not otherwise defined herein have the meanings given to such terms in the FOUR20's plan of arrangement dated May 8, 2025 (the **"Plan"**).

**A. BACKGROUND**

5. I previously swore two affidavits in the Applicants' previous NOI proceedings (the **"NOI Proceedings"**) on June 19, 2024 (the **"First Morrow Affidavit"**) and August 6, 2024 (the **"Second Morrow Affidavit"**) and six affidavits in the CCAA Proceedings on September 10, 2024 (the **"Third Morrow Affidavit"**), November 25, 2024 (the **"Fourth Morrow Affidavit"**), February 3, 2025 (the **"Fifth Morrow Affidavit"**), March 4, 2025 (the **"Sixth Morrow Affidavit"**), March 12, 2025 (the **"Seventh Morrow Affidavit"**), and April 17, 2025 (the **"Eighth Morrow Affidavit"**).
6. FOUR20's business is focused on cannabis retail sales in Alberta and Ontario. It is not a producer of cannabis. 420 Parent is the ultimate parent company of the FOUR20 group of companies. 420 OpCo, GRC, and 420 Dispensaries are directly or indirectly owned by 420 Parent. FOUR20 currently operates 27 retail stores in Alberta and one in Ontario and employs well over 100 people.
7. This proceeding originally commenced when three of the FOUR20 companies filed a Notice of Intention to Make a Proposal under the BIA in April of 2024. The FOUR20 companies sought creditor protection as a result of several factors, including the fact that they had numerous uneconomic leased locations which were causing the FOUR20 business to be unprofitable. The uneconomic leased locations were a result of the highly regulated environment and competition in the cannabis industry since it first became legalized in 2018. Many cannabis retailers in Canada have been forced to proceed through a restructuring process in order to right-size their operations in recent years.
8. The other major factor driving the FOUR20 business restructuring was ongoing litigation (the **"Litigation"**) between FOUR20 Parent, Tilray Inc (**"Tilray"**), and High Park Shops Inc. (**"High Park"**) as a result of a failed corporate arrangement in 2020. In the Litigation, FOUR20 sought damages of up to \$114 million as a result of the failed corporate arrangement against Tilray and High Park, and High Park counterclaimed for repayment of a bridge loan (the **"Bridge Loan"**) which had been extended in anticipation of that corporate arrangement. On February 7, 2024, High Park obtained

summary judgment with respect to their counterclaim (the “**High Park Summary Judgment**”) and High Park then issued a garnishee summons, prompting FOUR20 to seek creditor protection.

9. On September 19, 2024, the Honourable Justice Jones granted the Applicants the Initial Order under the CCAA, which converted the NOI Proceedings into the CCAA Proceedings and added an additional applicant company within the 420 corporate group. A copy of the Initial Order is attached hereto and marked as **Exhibit “A”**.
10. On September 19, 2024, after granting the Initial Order, the Honourable Justice Jones granted the Applicants’ application for an Amended and Restated Initial Order (the “**ARIO**”). Pursuant to the ARIO, the Initial Stay was extended to December 16, 2024. A copy of the ARIO is attached hereto and marked as **Exhibit “B”**.
11. On September 19, 2024, in addition to granting the Initial Order and the ARIO, the Honourable Justice Jones further granted an order approving the Sale and Investment Solicitation Process (the “**SISP**”) sought by the Applicants (the “**SISP Order**”) and an order approving the process for determining all claims against the Applicants (the “**Claims Procedure Order**”).
12. On October 8, 2024, the Honourable Justice Feasby heard an appeal of the High Park Summary Judgment and allowed the appeal on October 16, 2024. High Park appealed Justice Feasby’s decision and the appeal was heard and dismissed by the Court of Appeal on April 17, 2025.
13. On December 5, 2024, the Honourable Justice Harris granted an order to FOUR20 extending the Stay Period up to and including February 25, 2025 – at the hearing before Justice Harris, the Monitor advised that some of the timelines in the SISP were being extended at the request of bidders.
14. On December 20, 2024, FOUR20 received binding offers as part of the SISP. FOUR20 worked diligently and in good faith in conjunction with the Monitor to assess these binding offers. FOUR20 gave serious consideration to the bids it received in the SISP and had multiple discussions with bidders about bid structure.

**B. GENESIS OF THE PLAN**

15. Concurrently, FOUR20 was exploring other opportunities that would allow FOUR20 to continue as a going concern for the benefit of all stakeholders, without having to sell assets and enhance the ability of the business to continue as a profitable venture after emerging from CCAA protection.
16. On February 11, 2025, FOUR20 became party to a loan agreement pursuant to which they obtained funding for the Plan through a third-party lender (the “**Lender**”).

17. FOUR20 subsequently applied to this Court for an order (the “**Creditor Meeting Order**”) allowing FOUR20 to hold a creditor meeting to vote on the Plan (the “**Creditor Meeting Application**”), with the hearing for this application scheduled for March 14, 2025.
18. High Park opposed FOUR20’s application and cross-applied for an order re-opening the SISP to allow High Park to submit a new bid and granting enhanced powers to the Monitor to allow the Monitor to conduct the SISP and select a successful bid without input from FOUR20 (the “High Park Application”).
19. On March 27, 2025, the Honourable Justice Bourque issued a decision granting Creditor Meeting Order and dismissed the High Park Application. The Applicants subsequently scheduled the creditor meeting (the “**Creditor Meeting**”) to vote on the Plan for April 11, 2025. A copy of the Creditor Meeting Order is attached hereto and marked as **Exhibit “C”**.
20. As required under the Creditor Meeting Order, on March 31, 2025, the Monitor served on the Service List copies of the Notice to Affected Creditors, Creditor Meeting Order, a blank form of Affected Creditor Proxy, and the Convenience Election Notice (collectively, the “**Meeting Materials**”). Further in accordance with the Creditor Meeting Order, on April 3, 2025, the Monitor delivered physical copies of the Meeting Materials to each Affected Creditor.
21. I believe that the division of the Affected Creditors is fair and reasonable, having regard to the Affected Creditors’ legal interests in relation to the Applicants and the consideration offered to them under the Plan.
22. Pursuant to the Creditor Meeting Order, all Affected Creditors were required to submit to the Monitor proxies for voting on the Plan by 5:00pm on April 9, 2025. The Monitor subsequently received “yes” voting proxies from all Affected Creditors except for Meadowlands Development Corporation (“**Meadowlands**”) and McCarthy Tétrault LLP (“**McCarthy**”) who both submitted “no” voting proxies. It was later revealed that both Meadowlands and McCarthy had assigned their claims to Tilray (the “**Assigned Claims**”). The Creditor Meeting scheduled for April 11, 2025 was subsequently adjourned to May 9, 2025 to allow FOUR20 to bring an application barring Tilray from voting through the Assigned Claims. The application was to be heard on April 28, 2025.
23. FOUR20’s application was heard by the Honourable Justice Bourque on April 28, 2025. Justice Bourque reserved his decision.
24. In the interim, Tilray’s legal counsel reached out to engage on a potential global settlement covering all disputes with respect to the Litigation and the within CCAA Proceedings. Tilray made a formal offer to settle which was accepted by FOUR20 (the “**Settlement**”), following which the parties began working on papering the settlement agreement with respect thereto (the “**Settlement**”).

**Agreement**"). A copy of the Settlement Agreement is attached hereto and marked as **Confidential Exhibit "1"**.

25. On May 7, 2025, Justice Bourque issued a decision dismissing FOUR20's application with respect to barring Tilray from voting through the Assigned Claims, but granting FOUR20's request for an extension of the Stay until June 30, 2025.
26. On May 9, 2025, the Creditor Meeting was adjourned to May 12, 2025, to allow time for the Settlement Agreement to be fully executed.
27. On May 12, 2025, the Creditor Meeting reconvened and the Plan was approved unanimously by all Affected Creditors.

**C. KEY TERMS OF THE PLAN**

28. The key elements of the Plan provide, among other things, for the following:
  - (a) the Plan is funded through the funds received from the Settlement;
  - (b) the Plan consists of two classes of Affected Creditors, as well as a Convenience Class;
  - (c) unsecured creditors of all FOUR20 entities constitute a class of Affected Creditors that will receive cash payment of 70 cents on the dollar of their Allowed Affected Claims, with the remaining 30 cents on the dollar provided through either shares in 420 Parent (the "**Parent Share Election**") or proceeds from the Litigation (the "**Litigation Proceeds Election**");
  - (d) Stoke Canada Finance Corp. ("**Stoke**"), the sole secured creditor at 420 OpCo, constitutes a class of Affected Creditors that is to be paid the total of its Allowed Affected Claim in cash;
  - (e) all other creditors are deemed Unaffected;
  - (f) any Affected Creditors that have made a Convenience Election shall receive a cash payment equal to the Convenience Amount (being less than or equal to \$10,000);
  - (g) the Plan does not affect the following Claims (the "**Unaffected Claims**"):
    - (i) Secured Claims filed against 420 Parent;
    - (ii) Post-Filing Claims;
    - (iii) Crown Claims;

- (iv) Claims secured by a Charge;
  - (v) Employee Priority Claims;
  - (vi) Intercompany Claims, subject to Section 5.4(e) of the Plan;
  - (vii) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and
  - (viii) Claims that cannot be compromised pursuant to the provisions of Section 19(2) of the CCAA.
- (h) those with Unaffected Claims were not entitled to vote and are not entitled to receive any distribution under the Plan in respect of such Unaffected Claims;
- (i) all D&O Claims (except for those that cannot be compromised under Section 5.1(2) of the CCAA) shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred and the Directors Charge shall be fully and finally discharged from and against the Plan Implementation Fund; and
- (j) on or prior to the Implementation Date, the Applicants shall pay to the Monitor the Administrative Expense Reserve and following the Implementation Date, Administration Expenses (fees and expenses incurred post-Implementation Date by the Monitor, its legal counsel, the Applicants, their legal counsel, or any third party retained by the Monitor in connection with the administration of the estate) shall be paid from the Administrative Expense Reserve.
29. A copy of the current version of the Plan that was approved unanimously by the Affected Creditors on May 12, 2025, is attached hereto and marked as **Exhibit "D"**.
30. Section 8.2 of the Plan also includes the broad release of the Released Parties from the Released Claims, as such terms are defined in the Plan. The releases in favour of the Released Parties are necessary to bring finality to these CCAA Proceedings. All the parties being released worked diligently and made significant contributions to FOUR20's restructuring efforts. These efforts include those of the Directors and Officers, who have overseen, directed and developed potential restructuring options and have dedicated significant time and resources to achieve a successful restructuring outcome for FOUR20 and maximizing the value of FOUR20's business. These efforts have resulted in the creation and unanimous approval of the Plan. If the Plan is sanctioned by this Court, FOUR20's going concern value will be preserved for the benefit of its stakeholders.

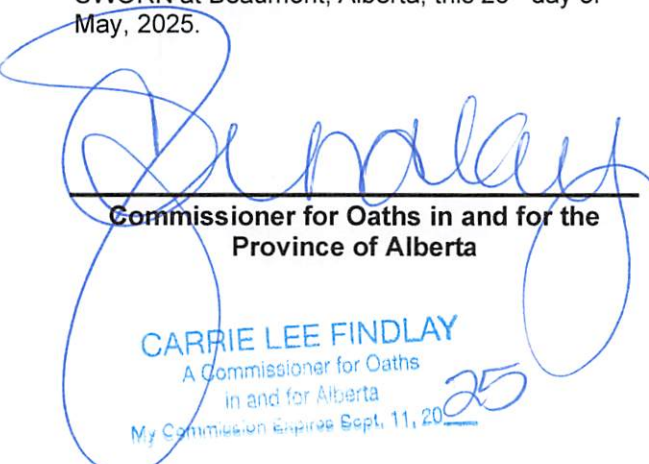
31. The releases are intended to protect those who contributed to the Plan from liability and will assist FOUR20 in implementing the Plan. The releases provided in the Plan contain several exceptions, including that the releases do not release or discharge the Directors from any claim referred to in section 5.1(2) of the CCAA.
32. The release provisions have been fully disclosed to the Affected Creditors in the Plan. To date, I am not aware of any party raising any concern regarding the proposed releases.
33. The Monitor has stated in its third report filed on March 11, 2025 (the “**Third Report**”) and its supplement to the Third Report filed on April 8, 2025 (the “**Supplemental Report**”) wherein the Monitor recommended that Affected Creditors vote in favour of the Plan as it is anticipated to provide for a greater recovery than that which would be realized in a liquidation scenario. A copy of the Third Report is attached hereto and marked as **Exhibit “E”** and a copy of the Supplemental Report is attached hereto and marked as **Exhibit “F”**.
34. If sanctioned and implemented, the Plan will permit FOUR20 to emerge from CCAA protection as a going concern, having preserved its business and the jobs of employees and ensured FOUR20's long-term viability, while maximizing the value to FOUR20's creditors and achieving a recovery for unsecured creditors in excess of what would be achieved in a liquidation scenario. For clarity, the Monitor has concluded that the recoveries offered in the Plan are expected to be greater for unsecured creditors than would likely be received in an alternative liquidation scenario.

**D. TERMINATION OF CCAA PROCEEDINGS AND DISCHARGE OF MONITOR**

35. Assuming the Sanction Order is granted by this Honourable Court, it is anticipated that the Plan will be implemented shortly thereafter. Accordingly, FOUR20 has developed a two-stage process for FOUR20 to swiftly and efficiently exit these CCAA Proceedings, and subsequently for the Monitor to be discharged.
36. The process being proposed is as follows:
  - (a) Upon implementation of the Plan, including (1) completion of all cash distributions considered under the Plan, (2) issuance of all shares to be issued pursuant to the Parent Share Election in the Plan, and (3) issuance of all Litigation Proceeds Promissory Notes to be issued pursuant to the Litigation Proceeds Election in the Plan, the Monitor shall file a certificate (the “**CCAA Termination Certificate**”) certifying the completion of these matters;

- (b) Pursuant to the order being sought from this Court, the within CCAA Proceedings shall be declared to have been concluded and terminated upon the Monitor filing the CCAA Termination Certificate with this Court;
  - (c) Thereafter the Monitor shall be required to provide a copy of the CCAA Termination Certificate to FOUR20, and to post same on its website; and
  - (d) The conclusion and termination of these CCAA Proceedings shall not affect the Monitor's appointment as Monitor or its remaining incidental and administrative duties. Once those duties have been completed, the Monitor shall file a second certificate (the "**Monitor's Discharge Certificate**") certifying as to the completion of these matters, at which time the Monitor shall be discharged as Monitor.
37. This proposed process will allow for FOUR20's swift and efficient exit from these CCAA Proceedings without the delay, cost, and administrative burden, and imposition on Court resources associated with having to bring a separate application to ensure that these CCAA Proceedings are terminated. Moreover, it is important to FOUR20's business moving forward that FOUR20 be able to exit these CCAA Proceedings as quickly as possible after the implementation of the Plan.
38. I make this Affidavit in support of the FOUR20 Application and for no other improper purpose.

SWORN at Beaumont, Alberta, this 26<sup>th</sup> day of  
May, 2025.

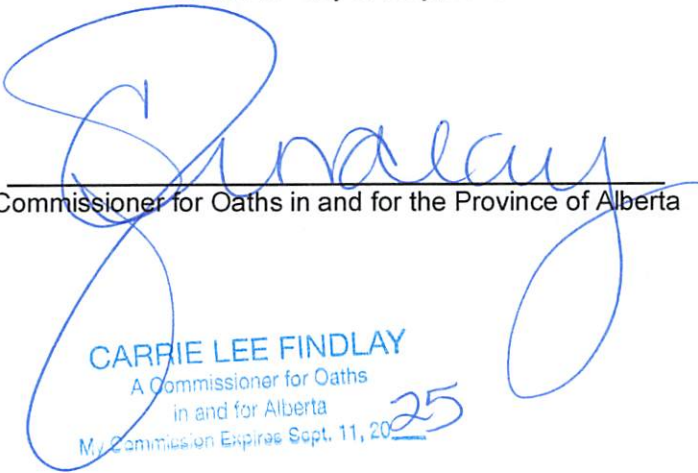
  
\_\_\_\_\_  
Commissioner for Oaths in and for the  
Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025

  
\_\_\_\_\_  
SCOTT MORROW



This is Exhibit "A" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025

Court File Number           **2401-17986**

COURT FILE NUMBER       25-3086318 / B301-86318

COURT                       COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE           CALGARY

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

                                  AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.

APPLICANTS               420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.

DOCUMENT                **INITIAL ORDER**

ADDRESS FOR SERVICE   **STIKEMAN ELLIOTT LLP**  
AND CONTACT           Barristers & Solicitors  
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File No.: 155857.1002

Clerk's stamp



DATE ON WHICH ORDER WAS PRONOUNCED:                       September 19, 2024

LOCATION WHERE ORDER WAS PRONOUNCED:                       Calgary, Alberta

JUSTICE WHO MADE THIS ORDER:                               The Honourable Justice Jones

**UPON** the application of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited, and 420 Dispensaries Ltd. (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Scott Morrow sworn on September 10, 2024 (the "**Morrow Affidavit**"); and the Affidavit of Service of Jessica Watts sworn September 19, 2024; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act as Monitor (the "**Monitor**"); **AND UPON** being advised that the Applicants had previously commenced proceedings under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), having Court File Number 25-3086318 (the "**NOI Proceedings**"), with the current stay under the NOI Proceedings scheduled to expire on September 26, 2024; **AND UPON** noting that KSV was appointed Proposal Trustee ("**Proposal Trustee**") in the NOI

Proceedings; **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee in the NOI Proceedings and the proposed Monitor, and any other counsel or other interested parties present; **AND UPON** reading the Third Report of the Proposal Trustee dated September 13, 2024;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. The Applicants are companies to which the *Companies’ Creditors Arrangement Act* of Canada (the “**CCAA**”) applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees and disbursements and activities of KSV in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

**PLAN OF ARRANGEMENT**

4. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

**POSSESSION OF PROPERTY AND OPERATIONS**

5. The Applicants shall:
  - (a) 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**”);
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property; and

- (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively **"Assistants"**) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
- 6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 7. 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 this Order, 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; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 8. 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 that 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,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales 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 Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; 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 that are attributable to or in respect of the carrying on of the Business by the Applicants.
9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
10. Except as specifically permitted in this Order, 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 date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. 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 portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate, provided that any sale that is either

(i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

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

12. 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. 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 or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they 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 or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, 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 or resiliation, 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 and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, 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**

- 14. Until and including September 29, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (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, except 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.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

- 15. 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**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
  - (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
- 16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to

preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no person shall accelerate, suspend, 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**

18. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, 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, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. 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 usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the 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**

19. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.



## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order 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**

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and 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 was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$433,000, as security for the indemnity provided in paragraph 21 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.
23. 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 D&O Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O 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 21 of this Order.

## **APPOINTMENT OF MONITOR**

24. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and 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.

25. 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, Business and dealings with the Property;
- (b) 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 and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) 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 Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
- (g) 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;
- (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

26. 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, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. 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 federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants and the Interim Lender 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.
28. 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, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
29. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, 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 and counsel for the Applicant on a monthly basis.
30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administrative Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administrative Charge shall have the priority set out in paragraphs 34 and 36 hereof.

## KEY EMPLOYEE RETENTION PLAN

32. The amounts payable to the key employees pursuant to the Key Employee Retention Plan (the “KERP”) are hereby secured by a charge (the “KERP Charge”) on the Property, in favour of the key employees identified in the KERP. The KERP Charge shall have the priority set out in paragraphs 34 and 36 hereof.
33. The aggregate amount secured by the KERP Charge granted to secure the Applicants’ obligations under the KERP shall be in an amount no more than \$373,928.17, less any amounts already paid pursuant to the KERP.

## VALIDITY AND PRIORITY OF CHARGES

34. The priorities of the D&O Charge, the Administrative Charge and the Interim Lender’s Charge, as among them, shall be as follows:
- First – Administrative Charge (to the maximum amount of \$300,000);
- Second – D&O Charge (to the maximum amount of \$433,000); and
- Third – KERP Charge (to the maximum amount of \$373,928.17, less any amounts already paid pursuant to the KERP).
35. The filing, registration or perfection of the D&O Charge, the Administrative Charge or the KERP Charge (collectively, the “Charges”) shall not be required, and 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.
36. Each of the D&O Charge, the Administrative Charge, and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, “Encumbrances”) in favour of any Person.
37. 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 D&O Charge, the Administrative Charge or the KERP Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.

38. The D&O Charge, the Administrative Charge, and the KERP Charge 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**") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (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**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
    - (ii) 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
    - (iii) 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.

## **ALLOCATION**

39. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administrative Charge, the KERP Charge, and the D&O Charge amongst the various assets comprising the Property.

## SERVICE AND NOTICE

40. The Monitor shall (i) without delay, publish in the Globe and Mail a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, 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.
41. The Monitor shall establish or continue a case website in respect of the within proceedings at <https://www.ksvadvisory.com/experience/case/420> (the "**Monitor's Website**").
42. The Applicants and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic 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 notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor.
43. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

## GENERAL

44. 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.
45. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

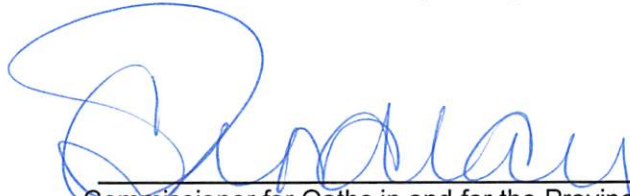
46. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
47. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any 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, 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.
48. 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 and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
49. 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.
50. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.




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Justice of the Court of King's Bench of Alberta

This is Exhibit "B" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
\_\_\_\_\_  
Commissioner for Oaths in and for the Province of Alberta

**CARRIE LEE FINDLAY**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025 



Court File Number        **2401-17986**

COURT FILE NUMBER        25-3086318 / B301-086318

Clerk's stamp

COURT                        COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE        CALGARY

MATTER                    IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED  
  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.



APPLICANTS                420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.

DOCUMENT                **AMENDED AND RESTATED INITIAL ORDER**

ADDRESS FOR SERVICE    **STIKEMAN ELLIOTT LLP**  
AND CONTACT            Barristers & Solicitors  
INFORMATION OF        4200 Bankers Hall West  
PARTY FILING THIS      888-3rd Street SW  
DOCUMENT                Calgary, AB T2P 5C5  
  
**Karen Fellowes, K.C. / Natasha Doelman**  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com) / [ndoelman@stikeman.com](mailto:ndoelman@stikeman.com)  
File No.: 155857.1002

DATE ON WHICH ORDER WAS PRONOUNCED:        September 19, 2024

LOCATION WHERE ORDER WAS PRONOUNCED:        Calgary, Alberta

JUSTICE WHO MADE THIS ORDER:                    The Honourable Justice Jones

**UPON** the application of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited, and 420 Dispensaries Ltd. (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Scott Morrow sworn on September 10, 2024 (the "**Morrow Affidavit**"); and the Affidavit of Service of Jessica Watts sworn September 19, 2024; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act as Monitor (the "**Monitor**"); **AND UPON** being advised that the Applicants had previously commenced proceedings under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), having Court File Number 25-3086318 (the "**NOI Proceedings**"), with the current stay under the NOI Proceedings scheduled to expire on September 26, 2024; **AND UPON** noting that KSV was appointed Proposal Trustee ("**Proposal Trustee**") in the NOI

Proceedings; **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee in the NOI Proceedings and the proposed Monitor, and any other counsel or other interested parties present; **AND UPON** reading the Third Report of the Proposal Trustee dated September 13, 2024;

**AND UPON HAVING GRANTED** the Initial Order commencing the within CCAA proceedings;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. The Applicants are a company to which the *Companies’ Creditors Arrangement Act* of Canada (the “**CCAA**”) applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees and disbursements and activities of KSV in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

**PLAN OF ARRANGEMENT**

4. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

**POSSESSION OF PROPERTY AND OPERATIONS**

5. The Applicants shall:
  - (a) 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**”);

- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
- 6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 7. 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 this Order, 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; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 8. 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 that 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,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales 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 Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; 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 that are attributable to or in respect of the carrying on of the Business by the Applicants.
9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
10. Except as specifically permitted in this Order, 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 date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. 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 portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate, provided that any sale that is either

- (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
  - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
  - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
  - (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,
- all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. 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. 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 or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they 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 or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, 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 or resiliation, 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 and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, 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**

- 14. Until and including December 16, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (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, except 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.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

- 15. 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**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
  - (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
- 16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to

preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no person shall accelerate, suspend, 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**

18. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, 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, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. 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 usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the 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**

19. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order 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**

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and 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 was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$433,000, as security for the indemnity provided in paragraph 21 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.
23. 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 D&O Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O 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 21 of this Order.

## **APPOINTMENT OF MONITOR**

24. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and 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.

25. 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, Business and dealings with the Property;
- (b) 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 and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) 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 Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
- (g) 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;
- (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

26. 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, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. 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 federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants and the Interim Lender 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.
28. 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, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
29. The continued engagement by the Applicants of KSV to commence and carry out the sale and investment solicitation process approved by this Court by Order granted September 19, 2024 in the within proceedings is hereby approved.
30. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, 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 and counsel for the Applicants on a monthly basis.
31. The Monitor and its legal counsel shall pass their accounts from time to time.
32. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administrative Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for

their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administrative Charge shall have the priority set out in paragraphs 34 and 36 hereof.

#### **KEY EMPLOYEE RETENTION PLAN**

33. The amounts payable to the key employees pursuant to the Key Employee Retention Plan (the "**KERP**") are hereby secured by a charge (the "**KERP Charge**") on the Property, in favour of the key employees identified in the KERP. The KERP Charge shall have the priority set out in paragraphs 34 and 36 hereof.
34. The aggregate amount secured by the KERP Charge granted to secure the Applicants' obligations under the KERP shall be in an amount no more than \$373,928.17, less any amounts already paid pursuant to the KERP.

#### **VALIDITY AND PRIORITY OF CHARGES**

35. The priorities of the D&O Charge, the Administrative Charge and the Interim Lender's Charge, as among them, shall be as follows:
  - First – Administrative Charge (to the maximum amount of \$300,000);
  - Second – D&O Charge (to the maximum amount of \$433,000); and
  - Third – KERP Charge (to the maximum amount of \$373,928.17, less any amounts already paid pursuant to the KERP).
36. The filing, registration or perfection of the D&O Charge, the Administrative Charge or the KERP Charge (collectively, the "**Charges**") shall not be required, and 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.
37. Each of the D&O Charge, the Administrative Charge, and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
38. 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 D&O Charge, the Administrative Charge or the KERP Charge, unless the

Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.

39. The D&O Charge, the Administrative Charge, and the KERP Charge 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**") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (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**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
    - (ii) 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
    - (iii) 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.

#### **ALLOCATION**

40. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administrative Charge, the KERP Charge, and the D&O Charge amongst the various assets comprising the Property.

## SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in the *Globe and Mail* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, 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.
42. The Monitor shall establish or continue a case website in respect of the within proceedings at <https://www.ksvadvisory.com/experience/case/420> (the “**Monitor’s Website**”).
43. The Applicants and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic 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 notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the “**Service List**”) to be maintained by the Monitor.
44. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel’s email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor’s Website.

## GENERAL

45. 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.
46. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor’s reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

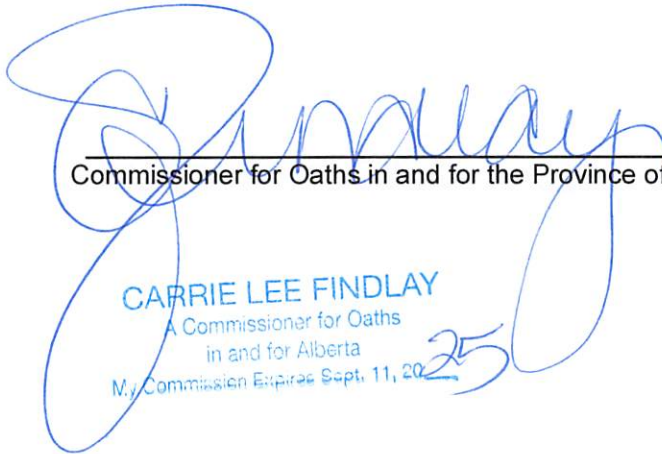
47. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
48. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any 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, 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.
49. 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 and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
50. 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.
51. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.



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Justice of the Court of King's Bench of Alberta

This is Exhibit "C" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
\_\_\_\_\_  
Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025

COURT

JUDICIAL CENTRE

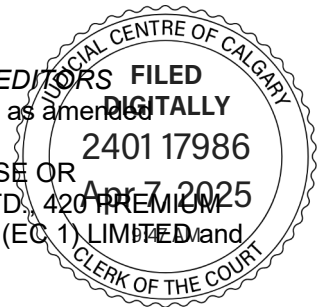
2401-17986

COURT OF KING'S BENCH OF ALBERTA

CALGARY

IN THE MATTER OF *THE COMPANIES, CREDITORS* FILED  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended DIGITALLY

AND IN THE MATTER OF THE COMPROMISE OR 2401 17986  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM  
MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and  
420 DISPENSARIES LTD.



DOCUMENT

**ORDER (Creditors' Meeting Order)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
4200 Bankers Hall West  
888-3rd Street SW  
Calgary, AB T2P 5C5

**Karen Fellowes, K.C. / Archer Bell**  
Tel: (403) 724-9469 / (403) 724-9485  
Fax: (403) 266-9034  
Email: kfellowes@stikeman.com / abell@stikeman.com

File No.: 155857.1002

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 27, 2025

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice Bourque

**LOCATION OF HEARING:** Calgary Courts Centre

**UPON** the application (the "**Application**") of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**"), and 420 Dispensaries Ltd. ("**420 Dispensaries**" and collectively, "**FOUR20**"), for an Order, among other things: (i) accepting the filing of the Plan of Compromise and Arrangement dated March 4, 2025, attached hereto as Schedule "1", as it may be amended, restated, supplemented, or modified (the "**Plan**") of FOUR20, (ii) authorizing the classification of creditors for purposes of voting on the Plan; (iii) authorizing and directing FOUR20 to call, hold and conduct a meeting of Affected Creditors to vote on a resolution to approve the Plan; (iv) authorizing and directing the mailing and distribution of the Meeting Materials; and (v) approving the procedures to be followed with respect to the creditors' Meeting;

**AND UPON** reading the Application; the Affidavit of Scott Morrow, sworn March 4, 2025; the Application of High Park Shops Inc. ("**High Park**") filed March 7, 2025; the Affidavit of Carl Merton, affirmed on March



6, 2025; the Affidavit of Lisa Roy, sworn on March 7, 2025; the Third Report dated March 11, 2025 (the **"Monitor's Report"**) of KSV Restructuring Inc. in its capacity as monitor of FOUR20 (the **"Monitor"**); the Affidavit of Scott Morrow, sworn on March 12, 2025; and the Affidavit of Lisa Roy, sworn on March 13, 2025;

**AND UPON** hearing from counsel for the interested parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**DEFINED TERMS**

1. All capitalized terms used but not otherwise defined herein having the meanings ascribed to such terms in the Plan.

**THE PLAN**

2. The Plan is hereby accepted for filing and FOUR20 is hereby authorized and directed to call the Meeting for the purpose of having the Eligible Voting Creditors vote on the Plan in the manner set out herein.
3. FOUR20 may, at any time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan (each a **"Plan Modification"**), in consultation with the Monitor, provided that:
  - (i) prior to the Meeting, notice of any Plan Modification shall be posted on the Monitor's Website; and
  - (ii) during the Meeting, notice of any Plan Modification shall be given to all Affected Creditors present (or deemed present) at such meeting in person or by Proxy, promptly posted on the Monitor's Website and filed with the Court as soon as practicable following the Meeting.
4. After the Meeting (and both prior to and subsequent to the obtaining of any Sanction Order), FOUR20 may at any time and from time to time, in consultation with the Monitor, effect a Plan Modification (a) pursuant to an Order of the Court, or (b) where such Plan Modification concerns a matter which, in the opinion of FOUR20, is of an administrative nature required to give effect to the implementation of the Plan and the Sanction Order, or to cure any errors, omissions, or ambiguities, and in either case is not materially prejudicial to the financial or economic interests of the Affected Creditors. The Monitor shall forthwith post on the Monitor's Website any such Plan Modification.

## FORMS OF DOCUMENTS

5. The (i) Notice to Affected Creditors substantially in the form attached as Schedule “2” hereto (the **“Notice to Affected Creditors”**), (ii) Affected Creditor Proxy substantially in the form attached as Schedule “3” hereto (the **“Affected Creditor Proxy”**), and (iii) Convenience Election Notice substantially in the form attached as Schedule “4” hereto (the **“Convenience Election Notice”**), as each may be amended, supplemented or restated, are hereby approved and FOUR20, with the consent of the Monitor, is hereby authorized to make changes to such forms as may be necessary to conform the contents thereof to the terms of the Plan or this Meeting Order.

## CLASSIFICATION OF CREDITORS

6. For the purposes of considering and voting on the Plan, there will be two (2) classes of Creditors:
- (i) The secured creditors of 420 OpCo; and
  - (ii) The unsecured creditors of all FOUR20 entities
- (collectively, the **“Affected Creditors”**).

## NOTICE TO GENERAL UNSECURED CREDITORS

7. The Monitor shall, within two (2) Business Days following the date of the granting of this Meeting Order, serve copies on the Service List and post electronic copies of meeting materials (the **“Meeting Materials”**) comprising the following on the Monitor’s Website:
- (i) the Notice to Affected Creditors;
  - (ii) this Meeting Order;
  - (iii) a blank form of Affected Creditor Proxy, to be submitted to the Monitor by any Eligible Voting Creditor who wishes to vote at the Meeting, whether in person or by proxy; and
  - (iv) the Convenience Election Notice.
8. The Monitor shall, not later than the fifth (5th) Business Day following the date of the granting of this Meeting Order, deliver the Meeting Materials by pre-paid ordinary mail, courier, personal delivery or e-mail to each Affected Creditor, at the address set out in such Affected Creditor’s Proof of Claim (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for a Affected Creditor).

## MONITOR'S REPORT ON PLAN

9. No later than seven (7) Business Days before the date of the Meeting, the Monitor shall serve a report regarding the Plan pursuant to section 23(1)(d.1) of the CCAA by serving a copy of same on the Service List and posting such report on the Monitor's Website.

## CONDUCT AT CREDITORS' MEETING

10. FOUR20 is hereby authorized to call, hold and conduct the Meeting on April 11, 2025 at 10:00 a.m. (Calgary time) for the purpose of considering and voting on, with or without variation, the Plan.
11. FOUR20 is authorized to hold the Meeting entirely by electronic means.
12. A representative of the Monitor shall act as chairperson (the "**Chairperson**") of the Meeting and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Meeting.
13. The Monitor may appoint one or more scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Meeting. One or more people designated by the Monitor shall act as secretary at the Meeting.
14. The quorum required at the Meeting shall be at least one Affected Creditor with an Allowed Affected Claim, present at the Meeting in person (by electronic means) or by proxy.
15. If the requisite quorum is not present at the Meeting, the Chairperson may adjourn the meeting, provided that any such adjournment or adjournments must be for a period of not more than seven days in total, unless otherwise agreed to by FOUR20 and the Monitor. In the event of any such adjournment, FOUR20 and the Monitor will not be required to deliver any notice of adjournment of the Meeting or adjourned Meeting provided that the Monitor shall forthwith post notice of the adjournment on the Monitor's Website. Any Affected Creditor Proxy validly delivered in connection with the Meeting will be accepted as a proxy in respect of any adjourned Meeting.
16. The only Persons entitled to attend the Meeting are (i) the Affected Creditors entitled to vote at the Meeting (or, if applicable, any Person holding a valid Affected Creditor Proxy on behalf of one or more such Affected Creditors) and any such Affected Creditor's legal counsel; (ii) Convenience Class Creditors; (iii) the Chairperson, the scrutineers and the secretary; (iv) the Monitor and the Monitor's legal counsel; and (v) one or more representatives of the Board and/or senior management of FOUR20 and FOUR20's legal counsel. Any other person may be admitted to the Meeting on invitation of FOUR20, in consultation with the Monitor.

## **ASSIGNMENT OF AFFECTED CLAIMS PRIOR TO MEETING**

17. Any Affected Creditor may transfer the whole of its Claim prior to the Meeting in accordance with the Plan and this Meeting Order. The Monitor is not obligated to deal with the transferee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee to vote at the Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment ("**Proof of Assignment**") has been given to FOUR20 and the Monitor prior to the commencement of the Meeting, and has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the day that is at least ten (10) Business Days prior to the date of the Meeting. If the Monitor receives and acknowledges such Proof of Assignment in accordance with this Meeting Order and the Plan (i) the transferor of the applicable Claim shall no longer constitute an Affected Creditor in respect of such Claim, and (ii) the transferee or assignee of the applicable Claim shall constitute an Affected Creditor in respect of such Claim and shall be bound by any and all notices previously given to the transferor or assignor in respect thereof and any Affected Creditor Proxy duly submitted in accordance with this Meeting Order. For greater certainty, the Monitor and the Plan Entities shall not recognize partial transfers or assignments of Affected Claims, under any provision of this Order or the Plan.

## **CONDUCT AND VOTING AT THE MEETING**

### **A. General Voting Procedures**

18. At the Meeting, the Chairperson shall direct a vote using the voting options available at the Meeting or by proxy on a resolution to approve the Plan and any amendments thereto.

### **B. Affected Creditors**

19. Affected Creditors (other than Convenience Class Creditors) with Allowed Affected Claims shall be entitled to one (1) vote in the amount equal to their Allowed Affected Claim.
20. An Affected Creditor with Affected Claim exceeding an aggregate of \$10,000 may elect to be treated as a Convenience Class Creditor and to receive \$10,000 in full satisfaction of such Allowed Affected Claim in accordance with the Plan (to the extent implemented and in accordance with the terms thereof) by submitting a Convenience Election Notice to the Monitor by no later than two (2) Business Days before the Meeting, subject to a later date as FOUR20, in consultation with the Monitor, may agree in the event of an adjournment, postponement or other rescheduling of the Meeting.
21. Any Affected Creditor that is entitled to vote at the Meeting must: (i) duly complete and sign an Affected Creditor Proxy; (ii) specify in the Affected Creditor Proxy the name of the Person with the power to attend and vote at the Meeting on behalf of such Affected Creditor; and (iii) deliver such

Affected Proxy to the Monitor so that it is received at or prior to 5:00 p.m. on the day that is two (2) Business Days before the Meeting and such delivery must be made in accordance with the instructions accompanying such Affected Creditor Proxy.

22. In the event that an Affected Creditor validly submits an Affected Creditor Proxy to the Monitor and subsequently attends the Meeting in person (electronically) and votes inconsistently, such Affected Creditor's vote at the Meeting shall supersede and revoke the earlier received Affected Creditor Proxy.
23. Notwithstanding anything else in in this Meeting Order, the Chairperson shall have the discretion to accept for voting purposes any Affected Creditor Proxy submitted to the Monitor in accordance with this Meeting Order.

**C. Convenience Creditors**

24. Notwithstanding anything else in this Meeting Order, each Convenience Creditor will be deemed to vote as part of the Affected Class in favour of the Plan. Each vote shall have a value equal to such Convenience Creditor's Convenience Claim. Convenience Creditors shall not be entitled to vote at the Meeting, whether in person or by proxy.
25. Any Affected Creditor with an Allowed Affected Claim greater than \$10,000 may elect to receive a Convenience Amount in full satisfaction of its Allowed Affected Claim by filing a Convenience Election by no later than five (5) Business Days prior to the Meeting Date (the "**Convenience Election Deadline**").

**VOTING OF DISPUTED CLAIMS**

26. Each Affected Creditor with a Disputed Claim against FOUR20 as at the Meeting Date shall be entitled to attend the Meeting and shall be entitled to one vote at said Meeting in respect of such Disputed Claim. Any vote cast in respect of a Disputed Claim shall be dealt with in accordance with paragraph 30 hereof, unless and until (and then only to the extent that) such Disputed Claim is ultimately determined to be: (i) an Allowed Affected Claim, in which case such vote shall have the dollar value attributable to such Allowed Affected Claim; or (ii) a Disallowed Claim (as defined in the Claims Procedure Order), in which case such vote shall be disregarded and not counted for any purpose.
27. The Monitor shall keep a separate record of votes cast by Affected Creditors with Disputed Claims and shall report to the Court with respect thereto at the Sanction Hearing. If approval or non-approval of the Plan by Affected Creditors would be affected by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably practicable after the Meeting.

28. FOUR20 and the Monitor shall have the right to seek the assistance of the Court at any time in valuing any Disputed Claim if required to ascertain the result of any vote on the Plan.

### **APPROVAL OF THE PLAN**

29. The Plan must receive an affirmative vote of the Required Majority in each of the two classes of Affected Creditors at the Meeting in accordance with section 6 of the CCAA in order to be approved by the Affected Creditors. Following the votes at the Meeting, the scrutineers shall tabulate the votes and the Monitor shall determine whether the Plan has been accepted by the Required Majority.
30. The result of any vote at the Meeting shall be binding on all Affected Creditors, regardless of whether such Affected Creditor was present at or voted at the Meeting or was entitled to be present or vote at the Meeting.

### **PLAN SANCTION**

31. The Monitor shall provide a Monitor's Report to the Court as soon as practicable after the Meeting with respect to:
- (i) the results of voting at the Meeting;
  - (ii) whether the Required Majority has approved the Plan;
  - (iii) the separate tabulation for Disputed Claims required by this Meeting Order; and
  - (iv) in its discretion, any other matters relating to the requested Sanction Order.
32. An electronic copy of the Monitor's Report regarding the Meeting and a copy of the materials filed in respect of the application by FOUR20 for the Sanction Order (the "**Sanction Application**") shall be served on the Service List and posted on the Monitor's Website prior to the Sanction Application.
33. In the event the Plan is approved by the Required Majority, the Sanction Application shall be held on April 24, 2025, or such later date as shall be acceptable to FOUR20 and the Monitor (the "**Sanction Hearing Date**").
34. Any Affected Creditor that wishes to oppose the sanctioning of the Plan must serve on FOUR20, the Monitor, and the service list established in these proceedings (the "**Service List**") copies of all evidence, written argument and/or other materials to be used by the Affected Creditor to oppose the Sanction Application by no later than 5:00 p.m. (Calgary time) on the date that is three (3) Business Days prior to the Sanction Hearing Date.

35. In the event that the Sanction Application is adjourned, only those Persons appearing on the Service List shall be served with notice of the adjourned date.

#### **HIGH PARK'S CROSS-APPLICATION**

36. High Park's cross-application returnable March 14, 2025 is dismissed.

#### **GENERAL PROVISIONS**

37. Notwithstanding anything contained in this Meeting Order, FOUR20 may decide not to call, hold and conduct the Meeting, provided that:
- (i) in the case of a decision not to conduct a Meeting, the Monitor, FOUR20 or the Chairperson shall communicate such decision to Affected Creditors prior to any vote being taken at the Meeting;
  - (ii) FOUR20 shall forthwith provide notice to the Service List of any such decision and shall file a copy thereof with the Court forthwith and in any event prior to the Sanction Application; and
  - (iii) the Monitor shall post an electronic copy of any such decision on the Monitor's Website forthwith and in any event prior to the Sanction Application.
38. Nothing in this Meeting Order has the effect of determining Allowed Affected Claims for purposes of distributions or payments under the Plan.
39. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall assist FOUR20 in connection with the matters described herein, and is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by this Meeting Order. The Monitor shall work with the third-party service provider to facilitate the implementation of the Meeting by telephonic or electronic means to the extent necessary or desirable in the sole opinion of the Monitor.
40. FOUR20 and the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this Meeting Order, including with respect to the completion, execution and time of delivery of required forms.
41. The Monitor may, if necessary, apply to this Court for advice and directions regarding its obligations under this Meeting Order.

42. Any notices or other communications to be given under this Meeting Order by any Person to the Monitor or FOUR20 shall be in writing in substantially the form, if any, provided in this Meeting Order and will be deemed sufficiently given only if given by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile, or email addressed to:

FOUR20's Counsel:

**STIKEMAN ELLIOTT LLP**

4200 Bankers Hall West  
888 – 3rd Street SW  
Calgary, AB T2P 5C5

Attention: Karen Fellowes, K.C. / Archer Bell  
Telephone: (403) 724-9469 / (403) 724-9485  
Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com)/  
[abell@stikeman.com](mailto:abell@stikeman.com)

Monitor:

**KSV RESTRUCTURING INC.**

1165, 324 – 8<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham  
Telephone: (587) 287-2670 / (587) 287-2750  
Email: [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com) /  
[rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com)

Monitor's Counsel:

**BENNETT JONES LLP**

4500, 855 2 Street SW  
Calgary, AB T2P 4K7

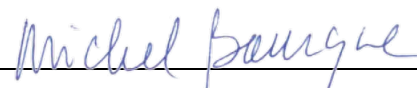
Attention: Michael Selnes  
Telephone: (403) 298-3311  
Email: [selnesm@bennettjones.com](mailto:selnesm@bennettjones.com)

43. Any such notice or communication shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Alberta, the fifth Business Day after mailing in Canada (other than within Alberta), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the date of actual delivery; and (c) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than a Business Day, on the following Business Day.
44. In the event that the day on which any notice or communication required to be delivered pursuant to this Meeting Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.
45. If, during any period in which notices or other communications are being given pursuant to this Meeting Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during



the course of any postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Meeting Order.

46. All references to time herein shall mean prevailing local time in Calgary, Alberta, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated.
47. References to the singular herein shall include the plural, references to the plural shall include the singular, and any gender shall include the other gender.
48. Subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the provisions of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.
49. This Meeting Order shall have full force and effect in all provinces and territories in Canada.
50. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Meeting Order and to assist FOUR20, the Monitor, and their respective representatives and agents in carrying out the terms of this Meeting Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to FOUR20 and the Monitor, as an officer of this Court, as may be reasonably necessary or desirable to give effect to this Order.
51. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



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Justice of the Court of King's Bench of Alberta

## **SCHEDULE “1”**

### **Plan of Compromise or Arrangement**

See attached.

Clerk's Stamp:

COURT FILE NUMBER

2401-17986

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS  
(EC1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT

**PLAN OF COMPROMISE OR ARRANGEMENT**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Stikeman Elliott LLP**  
4200 Bankers Hall West  
888 3<sup>rd</sup> St. SW.

Calgary, AB T2P 5C5

Attention: Karen Fellowes KC/Archer Bell

Phone: (403) 724-9469

Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com)/  
[abell@stikeman.com](mailto:abell@stikeman.com)

**PLAN OF COMPROMISE OR ARRANGEMENT  
TABLE OF CONTENTS**

Contents

<b>ARTICLE 1 INTERPRETATION .....</b>	<b>1</b>
Section 1.1 Definitions .....	1
Section 1.2 Interpretation Not Affected by Headings, etc. ....	8
Section 1.3 General Construction. ....	8
Section 1.4 Extended Meanings .....	8
Section 1.5 Currency.....	8
Section 1.6 Statutes .....	8
Section 1.7 Date and Time for any Action .....	8
Section 1.8 Schedules .....	8
<b>ARTICLE 2 PURPOSE AND EFFECT OF PLAN .....</b>	<b>9</b>
Section 2.1 Purpose .....	9
Section 2.2 Persons Affected.....	9
Section 2.3 Persons Not Affected by the Plan .....	10
Section 2.4 Equity Claimants .....	
Section 2.5 Treatment of Employment Agreements .....	<b>Error! Bookmark not defined.</b>
<b>ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS .....</b>	<b>10</b>
Section 3.1 Claims Procedure.....	10
Section 3.2 Classification of Creditors .....	10
Section 3.3 Meeting .....	10
Section 3.4 Voting .....	10
Section 3.5 Treatment of Affected Claims .....	11
Section 3.6 Treatment of Unaffected Claims .....	11
Section 3.7 Treatment of Intercompany Claims.....	11
Section 3.8 Treatment of D&O Claims .....	11
Section 3.9 Treatment of SNDL Claim .....	12
Section 3.10 Disputed Claims .....	12
Section 3.11 Extinguishment of Claims .....	12
Section 3.12 Guarantees and Similar Covenants .....	12
Section 3.13 Set-Off .....	12
<b>ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE.....</b>	<b>12</b>
Section 4.1 Plan Implementation Fund .....	12
Section 4.2 Administrative Expense Reserve .....	13
<b>ARTICLE 5 DISTRIBUTIONS AND PAYMENTS.....</b>	<b>13</b>
Section 5.1 Distributions Generally .....	13
Section 5.2 Distributions to Convenience Creditors.....	13
Section 5.3 Distributions to Eligible Voting Creditors.....	13
Section 5.5 Distributions, Payments and Settlements of Unaffected Claims .....	14
Section 5.6 Fractional Interests.....	14
Section 5.8 .....	
Section 5.9 Allocation of Distributions.....	15
Section 5.10 Treatment of Undeliverable Distributions.....	15
Section 5.11 Assignment of Claims for Voting and Distribution Purposes .....	15
Section 5.12 Withholding Rights .....	15
<b>ARTICLE 6 COURT SANCTION .....</b>	<b>16</b>
Section 7.1 Application for Sanction Order .....	16

Section 7.2	Sanction Order .....	16
<b>ARTICLE 8 CONDITIONS PRECEDENT &amp; IMPLEMENTATION .....</b>		<b>18</b>
Section 8.2	Conditions Precedent to Implementation in favour of Applicants .....	18
Section 8.3	Failure to Satisfy Conditions Precedent .....	18
Section 8.4	Monitor's Certificate .....	<b>Error! Bookmark not defined.</b>
<b>ARTICLE 9 EFFECT OF PLAN; RELEASES .....</b>		<b>19</b>
Section 9.1	Binding Effect of the Plan .....	19
Section 9.2	Released Parties .....	19
Section 9.3	Claims Not Released .....	20
Section 9.4	Consents and Agreements at the Restructuring Effective Time .....	20
Section 9.5	Waiver of Defaults .....	20
<b>ARTICLE 11 GENERAL .....</b>		<b>21</b>
Section 11.1	Claims Bar Date .....	21
Section 11.2	Deeming Provisions .....	21
Section 11.3	Modification of the Plan .....	21
Section 11.4	Paramountcy .....	21
Section 11.5	Severability of Plan Provisions .....	22
Section 11.6	Reviewable Transactions .....	22
Section 11.7	Responsibilities of the Monitor .....	22
Section 11.8	Different Capacities .....	22
Section 11.9	Notice .....	22
Section 11.10	Further Assurances .....	24

## PLAN OF COMPROMISE OR ARRANGEMENT

### WHEREAS:

- A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 ( the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries**"), (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");
- B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.
- C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (the "**NOI Proceedings**"). The NOI proceedings were later converted into the CCAA Proceedings.
- D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").
- E. The Applicants are parties to a binding Loan Agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a pool of cash consideration to be used to compromise and payout the creditors of 420 OpCo and Green Rock in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").
- F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

"**Affected Creditor**" means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

**“Affected Creditor Class”** means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

**“Allowed Affected Claims”** means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Applicable Law”** means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

**“Applicants”** has the meaning set out in the recitals hereto.

**“Applicants’ Conditions Precedent”** has the meaning set out in Article 7 hereto.

**“Articles”** means the articles of incorporation of the Applicants, as applicable.

**“Assessments”** means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

**“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

**“Business Day”** means a day on which banks are open for business in Calgary, Alberta but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

**“Canadian Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

**“Cash Payment”** means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to 55% of such Eligible Voting Creditor’s Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

**“CCAA”** has the meaning set out in the recitals hereto.

**“CCAA Proceedings”** has the meaning set out in the recitals hereto.

**“Charges”** means the Administration Charge, the Directors’ Charge and the KERP Charge.

**“Claim”** means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

**“Claims Bar Date”** has the meaning provided for in the Claims Procedure Order.

**“Claims Procedure Order”** means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

**“Continuing Contract”** means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

**“Convenience Amount”** means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to \$10,000; and (b) the amount of such Allowed Affected Claim.

**“Convenience Claim”** means any Affected Claim that is equal to or less than \$10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to \$10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to \$10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

**“Convenience Creditor”** means an Affected Creditor having a Convenience Claim.

**“Convenience Election”** means an election made by an Affected Creditor with an Allowed Affected Claim greater than \$10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

**“Convenience Election Deadline”** has the meaning ascribed thereto in the Meeting Order.

**“Convenience Election Notice”** means a notice substantially in the form attached to the Meeting Order.

**“Contingent Claims”** means any claim which the Monitor has marked as Contingent for the purpose of voting in the Plan.

**“Court”** has the meaning set out in the recitals hereto.

**“Creditor”** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

**“Creditor Cash Pool”** means the amount borrowed by the Companies from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

**“Crown Claims”** means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

**“D&O Claims”** means any or all Pre-Filing D&O Claims and Restructuring Period D&O Claims.

**“D&O Indemnity Claims”** means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

**“Disallowed Claims”** means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Directors”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

**“Directors’ Charge”** has the meaning set out in the Initial Order.



**“Disputed Claim”** means an Affected Claim (including a Contingent Affected Claim that may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

**“Eligible Voting Creditors”** means OpCo Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

**“Employee”** means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

**“Employee Priority Claims”** means:

- (a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants’ business during the same period.

**“Employment Agreements”** means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

**“Encumbrance”** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

**“Equity Claims”** means any or all Claims that meet the definition of “equity claim” in section 2(1) of the CCAA.

**“Equity Claimant”** means any Person with an Equity Claim or holding Existing Equity, in such capacity.

**“Equity Interest”** has the meaning ascribed thereto in section 2(1) of the CCAA.

**“Filing Date”** means June 27, 2024.

**“Final Order”** means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**“Governmental Entity”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**“Initial Order”** has the meaning set out in the recitals hereto.

**“Intercompany Claim”** means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

**“KERP”** has the meaning set out in the Initial Order.

**“KERP Charge”** has the meaning set out in the Initial Order.

**“KERP Prepayment”** has the meaning set out in Section 5.4(c)(iii).

**“List of Claims”** has the meaning set out in the Meeting Order.

**“Litigation Proceeds”** means a Final Judgment amount or settlement amount in favour of 420 Parent with respect to the Tilray Litigation defined herein;

**“Litigation Proceeds Payment”** means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an OpCo Unsecured Creditor through participation in the Creditor Cash Pool;

**“Litigation Proceeds Payment Process”** means the process by which an OpCo Unsecured Creditor will receive the Litigation Proceeds Payment upon their election to choose the Litigation Proceeds Payment;

**“Material”** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

**“Meeting”** means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

**“Meeting Date”** means the date on which the Meeting is held in accordance with the Meeting Order.

**“Meeting Order”** means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

**“Monitor”** has the meaning set out in the recitals hereto.

**“Monitor’s Website”** means [www.ksvrestructuring.com](http://www.ksvrestructuring.com).

**“Notice to Known Claimants”** means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

**“Officers”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

**“OpCo Unsecured Creditors”** means unsecured creditors of 420 OpCo and Green Rock.

**“Order”** means any order of the Court made in connection with the CCAA Proceeding.

**“Parent Shares”** means common shares in 420 Investment Ltd., if an Affected Creditor elects to choose the Parent Share Compensation Amount.

**“Parent Share Compensation Amount”** means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

**"Parent Share Compensation Amount Process"** means the process by which OpCo Unsecured Creditors are issued Parent Shares, upon their election to choose the Parent Share Compensation Amount;

**"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

**"Plan"** means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

**"Plan Implementation Fund"** has the meaning set out in Section 4.1.

**"Post-Filing Claim"** means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

**"Pre-Filing Claim"** means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, 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 any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

**"Pre-Filing D&O Claim"** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**"Proof of Claim"** means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

**"Released Claims"** has the meaning set out in Section 8.2.

**"Released Parties"** means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

**“Required Majority”** means a majority in number of OpCo Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

**“Restructuring Period Claim”** means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, rescission, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

**“Restructuring Period D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Implementation Date”** means the Business Day on which the Plan becomes effective.

**“Sanction Order”** means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

**“Secured Claim”** means any or all Claims of a “secured creditor” as defined in section 2(1) of the CCAA.

**“Stoke Claim”** means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

**“Tilray Litigation”** means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King’s Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

**“Tilray Claim”** means the counterclaim in the Tilray Litigation.

**“Unaffected Claims”** means any and all:

- (a) Secured Claims filed against 420 Parent;
- (b) Post-Filing Claims;
- (c) Crown Claims;
- (d) Claims secured by a Charge;
- (e) Employee Priority Claims;
- (f) Intercompany Claims, subject to Section 5.4(e);
- (g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and
- (h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

**“Unaffected Creditor”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

**“Undeliverable Distribution”** has the meaning set out in Section 5.6.

**“Withholding Obligation”** has the meaning set out in Section 5.8.

## **Section 1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

## **Section 1.3 General Construction.**

The terms “this Plan”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Plan and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Plan.

## **Section 1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

## **Section 1.5 Currency**

All references in this Plan to dollars, monetary amounts or to \$ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

## **Section 1.6 Statutes**

Except as otherwise provided in this Plan, any reference in this Plan to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

## **Section 1.7 Date and Time for any Action**

For purposes of the Plan:

- (a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall 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.

## **Section 1.8 Schedules**

The following Schedules are incorporated in and form part of this Plan:

- (a) Litigation Proceeds Payment Process Schedule;<sup>1</sup> and
- (b) Parent Share Compensation Amount Process Schedule.<sup>2</sup>

## ARTICLE 2 PURPOSE AND EFFECT OF PLAN

### Section 2.1 Purpose

- (a) The purpose of the Plan is to effect the Restructuring pursuant to the terms and conditions of this Plan and to:
  - (i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;
  - (ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;
  - (iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

- (b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.
- (c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

### Section 2.2 Persons Affected

- (a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.
- (b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

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<sup>1</sup> The Litigation Proceeds Payment Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.

<sup>2</sup> The Parent Share Compensation Amount Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.

### **Section 2.3      Persons Not Affected by the Plan**

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

## **ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS**

### **Section 3.1      Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

### **Section 3.2      Classification of Creditors**

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the OpCo Unsecured Creditors and the Stoke Claim.

### **Section 3.3      Meeting**

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

### **Section 3.4      Voting**

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

- (a)      Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.
- (b)      Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.
- (c)      OpCo Unsecured Creditors. Each OpCo Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an OpCo Unsecured Creditors shall be:
  - (i)      the amount shown as owing to such OpCo Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or

- (ii) the amount agreed to between such OpCo Unsecured Creditors and the Applicants, and consented to by the Monitor.

### **Section 3.5 Treatment of Affected Claims**

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

- (a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;
- (b) with respect to OpCo Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Payment at a later date as more fully described under the Litigation Proceeds Election Process, or Parent Share Conversion Payment as more fully described in the Parent Share Conversion Election Process, with such Litigation Proceeds Payment or Parent Share Conversion Payment equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and
- (c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Cash Collateral Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

### **Section 3.6 Treatment of Unaffected Claims**

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

### **Section 3.7 Treatment of Intercompany Claims**

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a cash payment, or be able to exercise any election including the litigation proceeds election or the Parent Co. Share Election.

### **Section 3.8 Treatment of D&O Claims**

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.



### **Section 3.9 Treatment of Tilray Claim**

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan. Subject to the terms and conditions of the Plan, from and after the final and binding decision from the Alberta Court of King's Bench or Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants. For certainty:

- (a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Judgment, or Settlement.

### **Section 3.10 Disputed Claims**

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

### **Section 3.11 Extinguishment of Claims**

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

### **Section 3.12 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the 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 under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

### **Section 3.13 Set-Off**

The law of set-off applies to all Affected Claims.

## **ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE**

### **Section 4.1 Plan Implementation Fund**

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on

behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

#### **Section 4.2 Administrative Expense Reserve**

On or prior to the Implementation Date, the Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any post- Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the “**Administration Expenses**”). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

### **ARTICLE 5 DISTRIBUTIONS AND PAYMENTS**

#### **Section 5.1 Distributions Generally**

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

#### **Section 5.2 Distributions to Convenience Creditors**

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

#### **Section 5.3 Distributions of Cash and Litigation Proceeds Election**

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment on the Implementation Date, and such distributions, in combination with remuneration received pursuant to either the Parent Share Compensation Amount Process or the Litigation Proceeds Payment Process, as is applicable, shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who elects to participate in the Litigation Proceeds Payment Process, shall be entitled to receive their Litigation Proceeds Payment by way of the Litigation Proceeds Payment Process, as set out in accordance with a Schedule to this Plan.

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who elects to participate in the Parent Share Compensation Amount Process, shall be entitled to receive their Parent Co. Shares by way of the Parent Shares Process, as set out in accordance with a Schedule to this Plan.

## **Section 5.4 Distributions, Payments and Settlements of Unaffected Claims**

### **(a) Post-Filing Claims;**

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

### **(b) Crown Claims;**

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

### **(c) Claims secured by a Charge;**

#### **(i) Administration Charge**

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

#### **(ii) Directors Charge**

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicant Entities and the Plan Implementation Fund.

#### **(iii) KERP Charge**

On the Implementation Date, the Applicants will pay the lesser of \$270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

### **(d) Employee Priority Claims**

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

### **(e) Intercompany Claims**

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

## **Section 5.5 Allocation of Distributions**

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

## **Section 5.6 Treatment of Undeliverable Distributions**

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

## **Section 5.7 Assignment of Claims for Voting and Distribution Purposes**

### **(a) Assignment of Claims Prior to Meeting**

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

### **(b) Assignment of Claims Subsequent to Meeting**

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

## **Section 5.8 Withholding Rights**

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the

case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

## **ARTICLE 6 COURT SANCTION**

### **Section 6.1 Application for Sanction Order**

If the Required Majority of OpCo Unsecured Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

### **Section 6.2 Sanction Order**

The Applicants shall seek a Sanction Order that, among other things:

- (a) declares that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declares that the Applicants were authorized to present the Plan;
- (c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (d) declares that as of the Restructuring Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the Restructuring Effective Time;
- (f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;

- (g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:
- (i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;
  - (ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;
  - (iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or
  - (v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;
- and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;
- (h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;
- (i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;
- (j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;
- (k) confirms the releases contemplated in Article 8;
- (l) declares that the the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and

- (m) such other relief which the the Applicants or the Monitor may request.

## **ARTICLE 7**

### **CONDITIONS PRECEDENT & IMPLEMENTATION**

#### **Section 7.1 Conditions Precedent to Implementation in favour of Applicants**

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the “**Applicants’ Conditions Precedent**” prior to or at the Restructuring Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

- (a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;
- (b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;
- (c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;
- (d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;
- (e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and
- (f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

#### **Section 7.2 Failure to Satisfy Conditions Precedent**

If the Conditions Precedent are not satisfied or waived on or before the Outside Date, , the applicable Party may provide written notice to the other Party and the Monitor that such Party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each Party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

## ARTICLE 8 EFFECT OF PLAN; RELEASES

### Section 8.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the Restructuring Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) full, final and absolute settlement of all rights of any Affected Creditor; and
- (b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

### Section 8.2 Released Parties

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the Restructuring Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Restructuring Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the “**Released Claims**”).

Except for those claims described in Section 8.3, from and after the Restructuring Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the Restructuring Effective Time, with respect to any and all Released Claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including,



without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or Encumbrance of any kind against the Released Parties or their property; or
- (e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the Restructuring Effective Time shall, forthwith after the Restructuring Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

### **Section 8.3 Claims Not Released**

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

- (a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;
- (b) a Released Party if,
  - (i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or
  - (ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

### **Section 8.4 Consents and Agreements at the Restructuring Effective Time**

At the Restructuring Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
- (b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Restructuring Effective Time; and
- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the Restructuring Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

### **Section 8.5 Waiver of Defaults**

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA

Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

## **ARTICLE 9 GENERAL**

### **Section 9.1      Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

### **Section 9.2      Deeming Provisions**

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

### **Section 9.3      Modification of the Plan**

- (a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.
- (b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.
- (d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

### **Section 9.4      Paramourcy**

From and after the Restructuring Effective Time, any conflict between:

- (a) the Plan or any Order in the CCAA Proceeding; 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 the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

### **Section 9.5 Severability of Plan Provisions**

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **Section 9.6 Reviewable Transactions**

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

### **Section 9.7 Responsibilities of the Monitor**

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

### **Section 9.8 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, 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 Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

### **Section 9.9 Notice**

- (a) Any notice or other communication under this Agreement shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

**Stikeman Elliott LLP**  
 4200 Bankers Hall West  
 888 – 3rd Street SW  
 Calgary, AB T2P 5C5  
 Attention: Karen Fellowes, K.C. / Archer Bell  
 Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

**KSV Restructuring Inc.**  
 1165, 324 – 8th Ave SW  
 Calgary, Alberta T2P 2Z2  
 Attention: Andrew Basi / Ross Graham  
 Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

**Bennett Jones LLP**  
 4500, 855 2 Street SW  
 Calgary, AB T2P 4K7  
 Attention: Michael Selnes  
 Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

- (b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (c) Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.
- (d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

**Section 9.10 Further Assurances**

Each of the Persons directly or indirectly named or referred to in, or subject to, this 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 Plan and to give effect to the transactions contemplated herein.

**DATED** as of the March 4, 2025.

**SCHEDULE “2”**  
**NOTICE TO AFFECTED CREDITORS**

**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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.**

**PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT**

<b>NOTICE OF CREDITORS’ MEETING</b>
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**TO:** The Affected Creditors of 420 Investments Ltd. (“**420 Parent**”), 420 Premium Markets Ltd. (“**420 OpCo**”), Green Rock Cannabis (EC 1) Limited (“**Green Rock**”) and / or 420 Dispensaries Ltd. (“**420 Dispensaries**”, and together with 420 Parent, 420 OpCo and Green Rock, “**FOUR20**”)

**NOTICE IS HEREBY GIVEN** that a virtual meeting (not an “**in person**” meeting) of the Affected Creditor Classes will be held on April 11, 2025 at 10:00. a.m. (Calgary time) by live audio webcast online or by telephone at:

**Meeting ID: 250 240 156 890**

**Passcode: we2TD3wS**

**Dial in by phone**

**+1 403-910-7168,,516304200# Canada, Calgary**

**Find a local number**

**Phone conference ID: 516 304 200#**

(the “**Creditors’ Meeting**”) for the following purposes:

to consider and, if deemed advisable, to pass, with or without variation, a resolution of the Affected Creditors (the “**CCAA Plan Resolution**”) approving the Plan of Compromise or Arrangement of FOUR20 pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) dated March 4, 2025 (as may be amended, restated, supplemented or modified from time to time in accordance with the terms thereof, the “**CCAA Plan**”); and

to transact such other business as may properly come before the Creditors’ Meeting or any adjournment or postponement thereof.

The Creditors’ Meeting is being held pursuant to an order (the “**Creditors’ Meeting Order**”) of the Court of King’s Bench of Alberta (the “**Court**”) made on March 14, 2025. Capitalized but undefined terms are defined in the CCAA Plan or the Creditors’ Meeting Order.

The CCAA Plan contemplates a compromise or arrangement of the Claims of Affected Creditors. The Creditors’ Meeting Order has established that quorum for the Creditors’ Meeting is the presence, in person (by electronic means) or by proxy of at least one member of the Affected Creditors with an Allowed Affected Claim.

In order for the CCAA Plan to be approved and binding in accordance with the CCAA, the CCAA Plan Resolution must be approved by a required majority of each of the two classes of the Affected Creditors who validly vote, in person “virtually”, or by proxy, or were deemed to do so, at the Creditors’ Meeting.

Each Affected Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor’s Allowed Affected Claim.<sup>1</sup>

If the CCAA Plan is approved at the Creditors’ Meeting, the CCAA Plan must then be sanctioned by the Court before it can be implemented. Subject to Court sanction and the satisfaction of the other conditions precedent to implementation of the CCAA Plan, all Affected Creditors will then receive the treatment set forth in the CCAA Plan.

### **Attendance at the Creditors’ Meeting**

The Creditors’ Meeting will be a virtual meeting, rather than an “in person” meeting, conducted by way of live audio webcast online or by telephone through Microsoft Teams at:

**Link: [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thead.v2/0?context=%7b%22id%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thead.v2/0?context=%7b%22id%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d)**

**Meeting ID: 250 240 156 890**

**Passcode: we2TD3wS**

**Dial in by phone**

**+1 403-910-7168,,516304200# Canada, Calgary**

**Find a local number**

**Phone conference ID: 516 304 200#**

Affected Creditors with an Allowed Affected Claim and a duly appointed proxy holder will be able to attend the virtual meeting, submit questions and vote in real time, provided they are connected by telephone.

It is the Affected Creditors’ and proxy holders’ responsibility to ensure internet and/or phone connectivity for the duration of the Creditors’ Meeting and you should allow ample time to log in to the meeting online or dial into the meeting by phone before it begins.

### **Proxy Form**

**An Affected Creditor entitled to vote at the Creditors’ Meeting may attend at the applicable Creditors’ Meeting using the information above or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of proxy (the “Affected Creditor Proxy” or “Affected Creditor Proxies”) provided to Affected Creditors by the Monitor. Persons appointed as proxyholders need not be Affected Creditors.**

In order to be effective, Affected Creditor Proxies must be received by the Monitor by 5:00 p.m. (Calgary time) on the day that is two (2) Business Days before the Creditors’ Meeting.

The address of the Monitor is:

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<sup>1</sup> Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.

**KSV Restructuring Inc.**  
1165, 324 – 8<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z2  
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com  
rgraham@ksvadvisory.com

If an Affected Creditor specifies a choice with respect to voting on the CCAA Plan Resolution on a Affected Creditor Proxy, the Affected Creditor Proxy will be voted in accordance with the specification so made. **In absence of such specification, an Affected Creditor Proxy will be voted FOR the CCAA Plan Resolution provided that the proxyholder does not otherwise exercise its right to vote at the Creditors' Meeting.**

**NOTICE IS ALSO HEREBY GIVEN** that if the CCAA Plan is approved at the Creditors' Meeting, FOUR20 intends to bring an application before the Court on April 24, 2025 at 2:00pm (Calgary time) or such later date (the "**Sanction Hearing Date**") as may be posted on the Monitor's Website and on the CaseLines Filesite, at the Court of King's Bench by Zoom or Webex, for which a virtual courtroom link will be circulated to the Service List at a later date. The application will seek an order sanctioning the CCAA Plan under the CCAA and ancillary relief consequent upon such sanction ("**Plan Sanction Order**"). Any Affected Creditor that wishes to oppose the sanctioning of the CCAA Plan pursuant to the Sanction Order must serve on FOUR20, the Monitor and the Service List for FOUR20's CCAA Proceedings a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the application no later than 4:00pm (Calgary time) on the date that is 3 Business Days prior to the Sanction Hearing Date.

This Notice is given by FOUR20 pursuant to the Creditors' Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at <https://www.ksvadvisory.com/experience/case/420>.

**DATED** this \_\_\_\_ day of March, 2025.



**SCHEDULE “3”**  
**FORM OF AFFECTED CREDITOR PROXY**

**PROXY AND INSTRUCTIONS**

**FOR AFFECTED CREDITORS**

**IN THE MATTER OF THE PROPOSED**

**PLAN OF COMPROMISE OR ARRANGEMENT OF**

**420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)**

**LIMITED and 420 DISPENSARIES LTD.**

**MEETING OF THE AFFECTED CREDITOR CLASS**

to be held pursuant to an Order of the Court of King’s Bench of Alberta (the “**Court**”) made on March 14, 2025 (the “**Creditors’ Meeting Order**”) in connection with the Plan of Compromise or Arrangement of 420 Investments Ltd. (“**420 Parent**”), 420 Premium Markets Ltd. (“**420 OpCo**”), Green Rock Cannabis (EC 1) Limited (“**Green Rock**”) and 420 Dispensaries Ltd. (“**420 Dispensaries**”, and together with 420 Parent, 420 OpCo, and Green Rock, “**FOUR20**”) dated March 4, 2025 (as amended, restated, modified and/or supplemented from time to time, the “**CCAA Plan**”), on April 11, 2025 at 10:00 a.m. (Calgary time) by live audio webcast or telephone through Microsoft Teams at:

**Link:** [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d)

**Meeting ID:** 250 240 156 890

**Passcode:** we2TD3wS

**Dial in by phone**

**+1 403-910-7168,,516304200# Canada, Calgary**

**Find a local number**

**Phone conference ID:** 516 304 200#

and / or at any adjournment, postponement or other rescheduling thereof (the “**Creditors’ Meeting**”).

PLEASE COMPLETE, SIGN AND DATE THIS PROXY (THE “**PROXY**” OR “**PROXIES**”) AND RETURN IT TO KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE MONITOR OF FOUR20 (THE “**MONITOR**”) BY 5:00 P.M. (CALGARY TIME) ON APRIL 9, 2025, OR AT LEAST TWO (2) BUSINESS DAYS PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS’ MEETING (THE “**PROXY DEADLINE**”). PLEASE RETURN OR SEND YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors’ Meeting to vote in person “virtually” but wish to appoint a proxyholder to attend the Creditors’ Meeting “virtually”, vote the aggregate amount of your Allowed Affected Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors’ Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

A copy of the CCAA Plan is attached as Schedule “1” to the Creditors’ Meeting Order. Capitalized but undefined terms are defined the CCAA Plan or the Creditors’ Meeting Order.

You should review the CCAA Plan before you vote. In addition, on March 27, 2025, the Court issued the Creditors’ Meeting Order establishing certain procedures for the conduct of the Creditors’ Meeting. A copy of the Creditors’ Meeting Order was included with the meeting materials set to you along with this form of Proxy and is also available on the Monitor’s website at <https://www.ksvadvisory.com/experience/case/420>. The Creditors’ Meeting Order contains important information regarding the voting process. Please read the Creditors’ Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

#### **APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked or the information listed below is not sufficiently provided, the Monitor will act as your proxyholder*):

☐ \_\_\_\_\_ (name of proxyholder)  
\_\_\_\_\_  
\_\_\_\_\_ (telephone of proxyholder)  
\_\_\_\_\_ (email address of proxyholder)

or

a representative of KSV Restructuring Inc., in its capacity as Monitor of FOUR20

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors’ Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor’s Allowed Affected Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder’s discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors’ Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor’s Allowed Affected Claim as follows (mark only one):

Vote **FOR** the approval of the CCAA Plan, or  
Vote **AGAINST** the approval of the CCAA Plan

***Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the CCAA Plan at the Creditors’ Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors’ Meeting.***

The proxyholder can log in and attend the Creditors’ Meeting by using either the link or telephone number provided above.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 2025

**AFFECTED CREDITOR'S SIGNATURE:**

(Print Legal Name of Affected Creditor)

\_\_\_\_\_

(Print Legal Name of Assignee, if applicable)

\_\_\_\_\_

(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

\_\_\_\_\_

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

\_\_\_\_\_

(Mailing Address of the Affected Creditor/Assignee)

\_\_\_\_\_

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

\_\_\_\_\_

**YOUR PROXY MUST BE RECEIVED BY THE MONITOR BY MAIL, COURIER, EMAIL OR FACSIMILE AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.**

**KSV Restructuring Inc.**  
1165, 324 – 8<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z2  
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com  
rgraham@ksvadvisory.com

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS,**

**PLEASE CONTACT THE MONITOR AT THE ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT:** <https://www.ksvadvisory.com/experience/case/420>.

**INSTRUCTIONS FOR COMPLETION OF PROXY**

All capitalized terms used but not defined in this Proxy shall have the meanings given to such terms in the CCAA Plan (a copy of which is attached as Schedule "1" to the Creditors' Meeting Order) or the Creditors' Meeting Order

Please read and follow these instructions carefully. Your Proxy must actually be received by the Monitor at:

**KSV Restructuring Inc.**

1165, 324 – 8<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham

E-mail: [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com)  
[rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com)

prior to **5:00 p.m. (Calgary time) on April 9, 2025**, or at least two (2) Business Days prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

Your Allowed Affected Claim will be the amount as determined by the Monitor in accordance with the Claims Procedure Order and the Creditors' Meeting Order. This Proxy may only be used to vote the amount of your Allowed Affected Claim.

Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name, telephone and email address of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, or if the contact information for such proxyholder is not sufficiently provided, the Affected Creditor will be deemed to have appointed an officer of KSV Restructuring Inc., in its capacity as Monitor, or such other person as KSV Restructuring Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof. The proxyholder will be able to log in and attend the Creditors' Meeting using the link or telephone numbers provided in the Affected Creditor Proxy.

Check the appropriate box to vote for or against the CCAA Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the CCAA Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**

Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. An electronic signature will be accepted and deemed to be an original with respect to any Proxy submitted by email or facsimile. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

If you need additional Proxies, please immediately contact the Monitor.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same

date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

If an Affected Creditor validly submits a Proxy to the Monitor and subsequently “virtually” attends and votes at the Creditors’ Meeting, it will be revoking the earlier received Proxy. If an Affected Creditor wishes to attend the Creditors’ Meeting but does not wish to revoke its Proxy, it may log in and decline to vote at the Creditors’ Meeting when prompted to do so.

Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors’ Meeting if received by the Monitor by the Proxy Deadline.

Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Unsecured Creditor voting in person “virtually” at the Creditors’ Meeting, without the prior consent of the Monitor and FOUR20.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THIS PROXY, PLEASE CONTACT THE MONITOR AT THE ADDRESS LISTED IN THE PROXY FORM OR VISIT THE MONITOR’S WEBSITE AT: <https://www.ksvadvisory.com/experience/case/420>.**

**SCHEDULE “4”**  
**CONVENIENCE ELECTION**

**TO: KSV RESTRUCTURING INC., in its capacity as Court-appointed Monitor of 420 Investments Ltd. (“420 Parent”), 420 Premium Markets Ltd. (“420 OpCo”), Green Rock Cannabis (EC 1) Limited (“Green Rock”) and 420 Dispensaries Ltd. (“420 Dispensaries”, and together with 420 Parent, 420 OpCo, and Green Rock, “FOUR20”)**

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In connection with the Plan of Compromise or Arrangement of FOUR20 pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) filed with the Court of King’s Bench of Alberta, Affected Creditors with one or more Allowed Affected Claims in an amount in excess of CA\$10,000 may file a Convenience Election pursuant to which such Affected Creditor elects to be treated as a Convenience Creditor and thereby receive only the Convenience Amount of CA\$10,000 and be deemed thereby to vote in favour of the Plan.

By submitting this Convenience Election, the undersigned hereby elects to be treated as a Convenience Creditor and receive the Convenience Amount which is the lesser of (i) a cash amount equal to \$10,000; and (ii) the amount of such Allowed Affected Claim, in full and final satisfaction of the Allowed Affected Claim of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote its Allowed Affected Claim in favour of the Plan at the Creditors’ Meeting.

For the purposes of this election, capitalized but undefined terms are defined in the Plan.

Please complete, sign and date this Convenience Election and return it to KSV Restructuring Inc. at the address below by 5:00 p.m. (Calgary time) on April 9, 2025.

Dated this \_\_\_\_ day of \_\_\_\_\_,

AFFECTED CREDITOR'S SIGNATURE:

\_\_\_\_\_  
(Print Legal Name of Affected Creditor)

\_\_\_\_\_  
(Signature of the Affected Creditor or an Authorized  
Signing Officer of the Affected Creditor)

\_\_\_\_\_  
(Print Name and Title of Authorized Signing Officer of  
the Affected Creditor, if applicable)

\_\_\_\_\_  
(Mailing Address of the Affected Creditor)

\_\_\_\_\_  
(Telephone Number of the Affected Creditor)

\_\_\_\_\_  
(E-mail Address of the Affected Creditor)

**YOUR CONVENIENCE ELECTION MUST BE RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.**

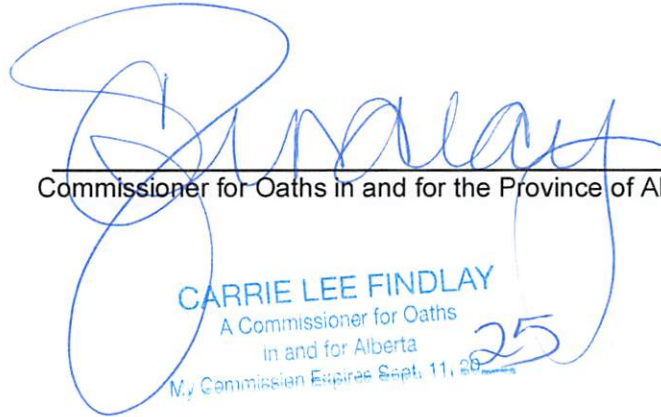
**KSV Restructuring Inc., in its capacity as court appointed officer of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.**

1165, 324 – 8<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com  
rgraham@ksvadvisory.com

This is Exhibit "D" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025 25



Clerk's Stamp:

COURT FILE NUMBER

2401-17986

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS  
(EC1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT

**PLAN OF COMPROMISE OR ARRANGEMENT**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Stikeman Elliott LLP**  
4200 Bankers Hall West  
888 3<sup>rd</sup> St. SW

Calgary, AB T2P 5C5

Attention: Karen Fellowes, KC / Archer Bell

Phone: (403) 724-9469

Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com) /  
[abell@stikeman.com](mailto:abell@stikeman.com)

**PLAN OF COMPROMISE OR ARRANGEMENT  
TABLE OF CONTENTS**

<b>ARTICLE 1 INTERPRETATION</b>	<b>1</b>
Section 1.1 Definitions	1
Section 1.2 Interpretation Not Affected by Headings, etc.	8
Section 1.3 General Construction	8
Section 1.4 Extended Meanings	8
Section 1.5 Currency	8
Section 1.6 Statutes	8
Section 1.7 Date and Time for any Action	8
Section 1.8 Schedules	9
<b>ARTICLE 2 PURPOSE AND EFFECT OF PLAN</b>	<b>9</b>
Section 2.1 Purpose	9
Section 2.2 Persons Affected	9
Section 2.3 Persons Not Affected by the Plan	10
<b>ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS</b>	<b>10</b>
Section 3.1 Claims Procedure	10
Section 3.2 Classification of Creditors	10
Section 3.3 Meeting	10
Section 3.4 Voting	10
Section 3.5 Treatment of Affected Claims	11
Section 3.6 Treatment of Unaffected Claims	11
Section 3.7 Treatment of Intercompany Claims	11
Section 3.8 Treatment of D&O Claims	11
Section 3.9 Treatment of Tilray Claim	Error! Bookmark not defined.
Section 3.10 Disputed Claims	11
Section 3.11 Extinguishment of Claims	12
Section 3.12 Guarantees and Similar Covenants	12
Section 3.13 Set-Off	12
<b>ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE</b>	<b>12</b>
Section 4.1 Plan Implementation Fund	12
Section 4.2 Administrative Expense Reserve	12
<b>ARTICLE 5 DISTRIBUTIONS AND PAYMENTS</b>	<b>13</b>
Section 5.1 Distributions Generally	13
Section 5.2 Distributions to Convenience Creditors	13
Section 5.3 Distributions of Cash and Litigation Proceeds Election	13
Section 5.4 Distributions, Payments and Settlements of Unaffected Claims	13
Section 5.5 Allocation of Distributions	14
Section 5.6 Treatment of Undeliverable Distributions	15
Section 5.7 Assignment of Claims for Voting and Distribution Purposes	15
Section 5.8 Withholding Rights	15
<b>ARTICLE 6 COURT SANCTION</b>	<b>16</b>
Section 6.1 Application for Sanction Order	16
Section 6.2 Sanction Order	16

<b>ARTICLE 7 CONDITIONS PRECEDENT &amp; IMPLEMENTATION</b>	<b>17</b>
Section 7.1 Conditions Precedent to Implementation in favour of Applicants	17
Section 7.2 Failure to Satisfy Conditions Precedent	18
<b>ARTICLE 8 EFFECT OF PLAN; RELEASES</b>	<b>18</b>
Section 8.1 Binding Effect of the Plan	18
Section 8.2 Released Parties	19
Section 8.3 Claims Not Released	20
Section 8.4 Consents and Agreements at the Effective Time	20
Section 8.5 Waiver of Defaults	20
<b>ARTICLE 9 GENERAL</b>	<b>21</b>
Section 9.1 Claims Bar Date	21
Section 9.2 Deeming Provisions	21
Section 9.3 Modification of the Plan	21
Section 9.4 Paramountcy	21
Section 9.5 Severability of Plan Provisions	22
Section 9.6 Reviewable Transactions	22
Section 9.7 Responsibilities of the Monitor	22
Section 9.8 Different Capacities	22
Section 9.9 Notice	22
Section 9.10 Further Assurances	23

## PLAN OF COMPROMISE OR ARRANGEMENT

### WHEREAS:

- A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 (the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries**"), (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");
- B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in the Tilray Litigation (as defined below) with a contingent creditor, High Park Shops Ltd. and Tilray Inc. (collectively with Tilray Brands, Inc., "**Tilray**").
- C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). The NOI Proceedings were later converted into the CCAA Proceedings.
- D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").
- E. The Applicants have reached an agreement in principle and are in the process of executing an agreement whereby the Applicants and Tilray agree to fully and finally resolve the disputes between them with respect to, *inter alia*, the Tilray Litigation and the CCAA Proceedings (the "**Settlement**"), whereby the Applicants will receive, *inter alia*, certain cash consideration (the "**Litigation Proceeds**").
- F. The Applicants shall use the Litigation Proceeds to, *inter alia*, fund a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction to compromise and payout the Applicants' unsecured creditors and 420 OpCo's secured creditor in accordance with the Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").
- F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

**“Affected Claim”** means any Claim that is not an Unaffected Claim.

**“Affected Creditor”** means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

**“Affected Creditor Class”** means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

**“Allowed Affected Claims”** means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Applicable Law”** means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

**“Applicants”** has the meaning set out in the recitals hereto.

**“Applicants’ Conditions Precedent”** has the meaning set out in Article 7 hereto.

**“Articles”** means the articles of incorporation of the Applicants, as applicable.

**“Assessments”** means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

**“BIA”** has the meaning set out in the recitals hereto.

**“Business Day”** means a day on which banks are open for business in Calgary, Alberta but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

**“Bylaws”** means the bylaws of the Applicants, as applicable.

**“Canadian Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

**“Cash Payment”** means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to 70% of such Eligible Voting Creditor’s Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

**“CCAA”** has the meaning set out in the recitals hereto.

**“CCAA Proceedings”** has the meaning set out in the recitals hereto.

**“Charges”** means the Administration Charge, the Directors’ Charge and the KERP Charge.

**“Claim”** means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

**“Claims Bar Date”** has the meaning provided for in the Claims Procedure Order.

**"Claims Procedure Order"** means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

**"Continuing Contract"** means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

**"Convenience Amount"** means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to \$10,000; and (b) the amount of such Allowed Affected Claim.

**"Convenience Claim"** means any Affected Claim that is equal to or less than \$10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to \$10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to \$10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

**"Convenience Creditor"** means an Affected Creditor having a Convenience Claim.

**"Convenience Election"** means an election made by an Affected Creditor with an Allowed Affected Claim greater than \$10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

**"Convenience Election Deadline"** has the meaning ascribed thereto in the Meeting Order.

**"Convenience Election Notice"** means a notice substantially in the form attached to the Meeting Order.

**"Court"** has the meaning set out in the recitals hereto.

**"Creditor"** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

**"Creditor Cash Pool"** means the portion of the Litigation Proceeds that will be available for distribution to Creditors pursuant to the Plan.

**"Crown Claims"** means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

**"D&O Claims"** means any or all Pre-Filing D&O Claims and Restructuring Period D&O Claims.

**"D&O Indemnity Claims"** means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

**"Disallowed Claims"** means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Directors”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

**“Directors’ Charge”** has the meaning set out in the Initial Order.

**“Disputed Claim”** means an Affected Claim or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

**“Effective Time”** means 12:01 a.m. (Calgary time) on the Implementation Date.

**“Election Form”** means the form found at Schedule “B” hereto used by Affected Creditors to elect to receive either the Litigation Proceeds Amount or the Parent Shares Compensation Amount.

**“Eligible Voting Creditors”** means Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

**“Employee”** means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

**“Employee Priority Claims”** means:

- (a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former Employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants’ business during the same period.

**“Employment Agreements”** means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

**“Encumbrance”** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

**“Equity Interest”** has the meaning ascribed thereto in section 2(1) of the CCAA.

**“Filing Date”** means May 29, 2024.

**“Final Order”** means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**“Governmental Entity”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**"Implementation Date"** means the Business Day on which the Plan becomes effective.

**"Initial Order"** has the meaning set out in the recitals hereto.

**"Intercompany Claim"** means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

**"KERP"** has the meaning set out in the Initial Order.

**"KERP Charge"** has the meaning set out in the Initial Order.

**"KERP Prepayment"** has the meaning set out in Section 5.4(c)(iii) of this Plan.

**"List of Claims"** has the meaning set out in the Meeting Order.

**"Litigation Proceeds"** has the meaning set out in the recitals hereto.

**"Litigation Proceeds Amount"** means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an Unsecured Creditor through participation in the Creditor Cash Pool and subject to the limitations set forth in the Litigation Proceeds Promissory Note.

**"Litigation Proceeds Election"** means an election on the Election Form by an Affected Creditor to receive the Litigation Proceeds Amount.

**"Litigation Proceeds Promissory Note"** means a promissory note in the form found at Schedule "A" to this Plan.

**"Material"** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

**"Meeting"** means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

**"Meeting Date"** means the date on which the Meeting is held in accordance with the Meeting Order.

**"Meeting Order"** means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

**"Monitor"** has the meaning set out in the recitals hereto.

**"Monitor's Website"** means [www.ksvrestructuring.com](http://www.ksvrestructuring.com).

**"Notice to Known Claimants"** means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

**"Officers"** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

**"Unsecured Creditors"** means the unsecured creditors of all of the Applicants with Allowed Affected Claims.

**"Order"** means any order of the Court made in connection with the CCAA Proceeding.



**“Outside Date”** means June 30, 2025.

**“Parent Shares”** means common shares in 420 Investment Ltd. which are nominally valued at CAD \$0.30 per share, if an Affected Creditor elects to choose the Parent Share Compensation Amount.

**“Parent Share Compensation Amount”** means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

**“Parent Share Election”** means an election on the Election Form by an Affected Creditor to receive the Parent Share Compensation Amount.

**“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental Entity or other entity however designated or constituted.

**“Plan”** means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

**“Plan Implementation Fund”** has the meaning set out in Section 4.1.

**“Post-Filing Claim”** means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

**“Pre-Filing Claim”** means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, 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 any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

**“Pre-Filing D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Proof of Claim”** means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

**“Released Claims”** has the meaning set out in Section 8.2.

**“Released Parties”** means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current Employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

**“Required Majority”** means a majority in number of Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

**“Restructuring Period Claim”** means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, rescission, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

**“Restructuring Period D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Sanction Order”** means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

**“Secured Claim”** means any or all Claims of a “secured creditor” as defined in section 2(1) of the CCAA.

**“Stoke Claim”** means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

**“Tilray”** has the meaning set out in the recitals hereto.

**“Tilray Litigation”** means Court Action No. 2001-02873 commenced by 420 Parent against Tilray in the Court of King’s Bench of Alberta, and the counterclaim commenced by Tilray against 420 Parent.

**“Tilray Claim”** means the counterclaim in the Tilray Litigation.

**“Unaffected Claims”** means any and all:

- (a) Secured Claims filed against 420 Parent;
- (b) Post-Filing Claims;
- (c) Crown Claims;
- (d) Claims secured by a Charge;

- (e) Employee Priority Claims;
  - (f) Intercompany Claims, subject to Section 5.4(e);
  - (g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and
  - (h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,
- and for certainty, shall include any Unaffected Claim arising through subrogation.

**“Unaffected Creditor”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

**“Undeliverable Distribution”** has the meaning set out in Section 5.6.

**“Withholding Obligation”** has the meaning set out in Section 5.8.

## **Section 1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

## **Section 1.3 General Construction**

The terms “this Plan”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Plan and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Plan.

## **Section 1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

## **Section 1.5 Currency**

All references in this Plan to dollars, monetary amounts or to \$ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

## **Section 1.6 Statutes**

Except as otherwise provided in this Plan, any reference in this Plan to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

## **Section 1.7 Date and Time for any Action**

For purposes of the Plan:

- (a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

- (b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall 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.

### **Section 1.8 Schedules**

The following Schedules are incorporated in and form part of this Plan:

- (a) Schedule "A"; and
- (b) Schedule "B".

## **ARTICLE 2 PURPOSE AND EFFECT OF PLAN**

### **Section 2.1 Purpose**

- (a) The purpose of the Plan is to effect the restructuring of the Applicants pursuant to the terms and conditions of this Plan and to:
  - (i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims; and
  - (ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

- (b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.
- (c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

### **Section 2.2 Persons Affected**

- (a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.
- (b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

### **Section 2.3 Persons Not Affected by the Plan**

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

## **ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS**

### **Section 3.1 Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

### **Section 3.2 Classification of Creditors**

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the Unsecured Creditors and the Stoke Claim.

### **Section 3.3 Meeting**

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

### **Section 3.4 Voting**

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

- (a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.
- (b) Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.
- (c) Unsecured Creditors. Each Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an Unsecured Creditors shall be:
  - (i) the amount shown as owing to such Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or
  - (ii) the amount agreed to between such Unsecured Creditors and the Applicants, and consented to by the Monitor.

### **Section 3.5 Treatment of Affected Claims**

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

- (a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;
- (b) with respect to Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Amount or Parent Share Compensation Amount, with such Litigation Proceeds Amount or Parent Share Compensation Amount equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and
- (c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Creditor Cash Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

### **Section 3.6 Treatment of Unaffected Claims**

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

### **Section 3.7 Treatment of Intercompany Claims**

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a Cash Payment, or be able to exercise any election including the Litigation Proceeds Election or the Parent Share Election.

### **Section 3.8 Treatment of D&O Claims**

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

### **Section 3.9 Disputed Claims**

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the

Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

### **Section 3.10 Extinguishment of Claims**

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

### **Section 3.11 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the 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 under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

### **Section 3.12 Set-Off**

The law of set-off applies to all Affected Claims.

## **ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE**

### **Section 4.1 Plan Implementation Fund**

On or prior to the Implementation Date, the Applicants shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

### **Section 4.2 Administrative Expense Reserve**

On or prior to the Implementation Date, the Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any post-Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the "**Administration Expenses**"). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

## **ARTICLE 5 DISTRIBUTIONS AND PAYMENTS**

### **Section 5.1 Distributions Generally**

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

### **Section 5.2 Distributions to Convenience Creditors**

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

### **Section 5.3 Distributions of Cash and Litigation Proceeds Election**

Each Affected Creditor shall complete an Election Form in the form set out in Schedule "B" indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. The Election Form must be returned electronically via email to the Applicants and the Monitor in accordance with Section 9.9 herein. Election Forms must be completed and returned to the Applicants and the Monitor on or before May 20, 2025.

Any Affected Creditor that fails to return the Election Form to the Applicants and the Monitor by May 20, 2025 shall be deemed to have made the Parent Share Election.

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment and Parent Share Compensation Amount or Litigation Proceeds Amount, as applicable, on the Implementation Date, and such distributions shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who make the Litigation Proceeds Election shall receive a Litigation Proceeds Promissory Note in the form contained in Schedule "A" to this Plan guaranteeing payment of their Litigation Proceeds Amount on the date that Litigation Proceeds become available to the Applicants, subject to certain limitations outlined within the Litigation Proceeds Promissory Note.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who makes the Parent Share Election shall be entitled to receive their Parent Share Compensation Amount on the Implementation Date.

### **Section 5.4 Distributions, Payments and Settlements of Unaffected Claims**

- (a) Post-Filing Claims;



All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund.

(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of \$270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

## **Section 5.5 Allocation of Distributions**

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

## **Section 5.6 Treatment of Undeliverable Distributions**

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

## **Section 5.7 Assignment of Claims for Voting and Distribution Purposes**

### **(a) Assignment of Claims Prior to Meeting**

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

### **(b) Assignment of Claims Subsequent to Meeting**

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

## **Section 5.8 Withholding Rights**

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected

Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

## **ARTICLE 6 COURT SANCTION**

### **Section 6.1 Application for Sanction Order**

If the Required Majority of Affected Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

### **Section 6.2 Sanction Order**

The Applicants shall seek a Sanction Order that, among other things:

- (a) declares that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declares that the Applicants were authorized to present the Plan;
- (c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (d) declares that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the Effective Time;
- (f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;
- (g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;

- (ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;
- (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;
- (iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or
- (v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;

- (h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;
- (i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;
- (j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;
- (k) confirms the releases contemplated in Article 8;
- (l) declares that the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and
- (m) such other relief which the Applicants or the Monitor may request.

## ARTICLE 7 CONDITIONS PRECEDENT & IMPLEMENTATION

### Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the “**Applicants’ Conditions Precedent**”) prior to or at the Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

- (a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;

- (b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;
- (c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;
- (d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;
- (e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and
- (f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

## **Section 7.2 Failure to Satisfy Conditions Precedent**

If the Applicants' Conditions Precedent are not satisfied or waived on or before the Outside Date, the applicable party may provide written notice to the other party and the Monitor that such party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 8 EFFECT OF PLAN; RELEASES**

### **Section 8.1 Binding Effect of the Plan**

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) full, final and absolute settlement of all rights of any Affected Creditor; and
- (b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

## Section 8.2 Released Parties

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the “**Released Claims**”).

Except for those claims described in Section 8.3, from and after the Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the Effective Time, with respect to any and all Released Claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or
- (e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the Effective Time shall, forthwith after the Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

### **Section 8.3 Claims Not Released**

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

- (a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;
- (b) a Released Party if,
  - (i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or
  - (ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

### **Section 8.4 Consents and Agreements at the Effective Time**

At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
- (b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Effective Time; and
- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

### **Section 8.5 Waiver of Defaults**

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

## **ARTICLE 9 GENERAL**

### **Section 9.1      Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

### **Section 9.2      Deeming Provisions**

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

### **Section 9.3      Modification of the Plan**

- (a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.
- (b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.
- (d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

### **Section 9.4      Paramountcy**

From and after the Effective Time, any conflict between:

- (a) the Plan or any Order in the CCAA Proceeding; 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 the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,



will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

### **Section 9.5 Severability of Plan Provisions**

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **Section 9.6 Reviewable Transactions**

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

### **Section 9.7 Responsibilities of the Monitor**

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

### **Section 9.8 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, 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 Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

### **Section 9.9 Notice**

- (a) Any notice or other communication under this Plan shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

**Stikeman Elliott LLP**

4200 Bankers Hall West

888 – 3rd Street SW

Calgary, AB T2P 5C5

Attention: Karen Fellowes, KC / Archer Bell

Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

**KSV Restructuring Inc.**  
 1165, 324 – 8th Ave SW  
 Calgary, Alberta T2P 2Z2  
 Attention: Andrew Basi / Ross Graham  
 Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

**Bennett Jones LLP**  
 4500, 855 2 Street SW  
 Calgary, AB T2P 4K7  
 Attention: Michael Selnes  
 Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

- (b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (c) Sending a copy of a notice or other communication to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a party.
- (d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

#### **Section 9.10 Further Assurances**

Each of the Persons directly or indirectly named or referred to in, or subject to, this 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 Plan and to give effect to the transactions contemplated herein.

**DATED** as of May 8, 2025.

## Schedule "A"

## PROMISSORY NOTE

**AMOUNT:** CAD \$ \_\_\_\_\_ **DUE:** **ON THE DUE DATE**  
(AS DEFINED BELOW)

The undersigned, 420 Investments Ltd. ("**420 Parent**") hereby promises to pay to the order of \_\_\_\_\_ (the "**Holder**") the sum of CAD \$ \_\_\_\_\_, which amount shall be non-interest bearing (the "**Amount**").

The Amount shall be due and payable on the Implementation Date, as such term is defined in 420 Parent's Plan of Arrangement dated May 8, 2025 (the "**Due Date**"), provided that:

- (a) any amounts owing by 420 Parent pursuant to any applicable litigation funding agreement, including, but not limited to, amounts owing to Jensen Shawa Solomon Duguid Hawkes LLP as litigation counsel and amounts owing to Nomos Capital I-A LP based on previous elections under the applicable litigation funding agreement (collectively, the "**Litigation Expenses**") are paid first; and
- (b) the Tilray Payment is sufficient to pay any Litigation Expenses and the full amounts owing under all Promissory Notes issued by 420 Parent that are contingent on the Tilray Litigation (the "**Litigation Promissory Notes**").

In the event that the Tilray Payment is not sufficient to pay any Litigation Expenses and the full amounts owing under the Litigation Promissory Notes, the Litigation Expenses shall be paid in full and any remaining portion of the Tilray Payment shall be distributed to holders of the Litigation Promissory Notes, including this Promissory Note, on a pro-rata basis. In such event, such pro-rata payment shall be in full and final satisfaction of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

DATED at Calgary, Alberta on \_\_\_\_\_, 2025.

**420 Investments Ltd.**

Per: \_\_\_\_\_  
Scott Morrow  
CEO

**Schedule “B”****ELECTION FORM**

**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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.**

The undersigned, \_\_\_\_\_, hereby elects to receive the:

\_\_\_ **Litigation Proceeds Amount (as defined in the Plan of Arrangement); or**

\_\_\_ **Parent Shares Compensation Amount (as defined in the Plan of Arrangement).**

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before May 20, 2025. This Election Form shall be emailed to the following recipients:

FOUR20’s Counsel:

**STIKEMAN ELLIOTT LLP**

Attention: Karen Fellowes, K.C. / Archer Bell  
Email: kfellows@stikeman.com/  
abell@stikeman.com

Monitor:

**KSV RESTRUCTURING INC.**

Attention: Andrew Basi / Ross Graham  
Email: abasi@ksvadvisory.com /  
rgraham@ksvadvisory.com

Monitor’s Counsel:

**BENNETT JONES LLP**

Attention: Michael Selnes  
Email: selnesm@bennettjones.com

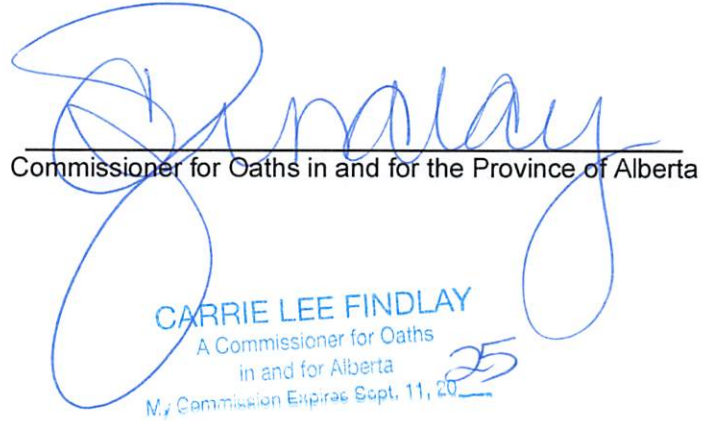
Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by May 20, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at \_\_\_\_\_ on \_\_\_\_\_, 2025.

**Name of Affected Creditor:**

Per: \_\_\_\_\_

This is Exhibit "E" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025



COURT FILE NUMBER **2401-17986**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDING **IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, RSC 1985, c. C-36, as amended  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM  
MARKETS LTD., GREEN ROCK CANNABIS (EC) LIMITED  
AND 420 DISPENSARIES LTD.**



DOCUMENT **THIRD REPORT OF THE MONITOR**

**MARCH 11, 2025**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR**  
KSV Restructuring Inc.  
324-8<sup>th</sup> Avenue SW, Suite 1165  
Calgary, AB  
T2P 2Z2

Attention: Andrew Basi/Ross Graham  
Telephone: (587) 287-2670/(587) 287-2750  
Facsimile: (416) 932-6266  
Email: [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com)  
[rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com)

**MONITOR'S COUNSEL**

Bennett Jones LLP  
4500, 855 2<sup>nd</sup> Ave SW  
Calgary, AB  
T2P 4K7

Attention: Michael Selnes  
Telephone: (403) 298-3311  
Facsimile: (403) 265-7219  
E-Mail: [selnesm@bennettjones.com](mailto:selnesm@bennettjones.com)

<b>Contents</b>	<b>Page</b>
1.0 Introduction .....	1
2.0 Claims Procedure.....	7
3.0 The Plan.....	12
4.0 Meeting Order .....	18
5.0 Monitor’s Assessment of the Plan.....	19
6.0 Resumed SISP.....	22
7.0 Cash Flow Statement .....	24
8.0 Applicants’ Request for an Extension .....	26
9.0 Sealing .....	26
10.0 Next Steps and Monitor’s Recommendation .....	27

<b>Appendix</b>	<b>Tab</b>
Sixth Cash Flow Statement and Management’s Report thereon .....	A
Seventh Cash Flow Statement and Management’s Report thereon .....	B
Monitor’s Report on the Seventh Cash Flow Statement .....	C

<b>Confidential Appendix</b>	<b>Tab</b>
Monitor’s Summary Analysis of the Joint Bid.....	1

## 1.0 Introduction

1. On May 29, 2024 (the “**Filing Date**”), 420 Investments Ltd. (“**420 Investments**”), 420 Premium Markets Ltd. (“**420 Premium Markets**”), and Green Rock Cannabis (EC 1) Limited (“**Green Rock**” and collectively, the “**NOI Entities**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceedings**”). KSV Restructuring Inc. (“**KSV**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI Proceedings.
2. On September 19, 2024, the NOI Entities and 420 Dispensaries Ltd. (“**Dispensaries**” and together with the NOI Entities, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) from the Court of Kings’ Bench of Alberta (the “**Court**”) granting, among other things, a continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**”) (the “**CCAA Proceedings**”). This report (the “**Third Report**”) is filed by KSV in its capacity as monitor (the “**Monitor**”) in the CCAA Proceedings.

### 1.1 NOI Proceedings Background

1. On June 27, 2024, the NOI Entities were granted an Order by the Court (the “**First Stay Extension Order**”) which included, amongst other matters, relief for the following:
  - a) extending the period in which the NOI Entities could make proposals to their creditors in the NOI Proceedings and the stay of proceedings up to and including August 12, 2024;
  - b) consolidating the NOI Proceedings for procedural purposes;
  - c) approving a key employee retention plan (the “**KERP**”);
  - d) granting the following charges against the NOI Entities’ current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the “**Property**”) in the following relative priorities:



- i. First – a charge to not exceed \$300,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Bennett Jones LLP (“**Bennett Jones**”), and the NOI Entities’ counsel, Stikeman Elliott LLP (“**Stikeman**”) (the “**Administration Charge**”);
  - ii. Second – a charge in favour of the NOI Entities’ directors and officers to a maximum amount of \$433,000 (the “**D&O Charge**”); and
  - iii. Third – a charge in favour of certain key employees for amounts payable under the KERP up to a maximum amount of \$373,928.17 (the “**KERP Charge**”, and together with the Administration Charge and the D&O Charge, the “**Charges**”).
2. On August 12, 2024, the Court granted two orders, which, amongst other matters:
  - a) extended the period in which the NOI Entities could make a proposal to its creditors and the stay of proceedings from August 12, 2024 up to and including September 26, 2024; and
  - b) provided direction to the Commercial Coordinator to schedule a half-day application for the appeal of the order for summary judgment granted by Applications Judge J.R. Farrington to be heard by the Honourable Justice Feasby on October 8, 2024.

## 1.2 CCAA Proceedings Background

1. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:
  - a) declaring the NOI Proceedings of the NOI Entities is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;
  - b) terminating the NOI Proceedings;
  - c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicants not exceeding 10 days following the Initial Order (the “**Stay Period**”); and
  - d) confirming the granting and priority of the Charges pursuant to the First Stay

Extension Order in the NOI Proceedings and taking up such Charges and amounts under the CCAA Proceedings except for the KERP Charge, which was to be reduced based on the amounts paid out to date to eligible recipients.

2. On September 19, 2024, the Court granted the Applicants' application for an amended and restated initial order ("**Amended and Restated Initial Order**"), which, amongst other matters, extended the Stay Period to, and including, December 16, 2024.
3. Further, on September 19, 2024, the Court granted the Applicants' application for an order (the "**Claims Procedure Order**") approving the solicitation, determination and resolution of claims against the Applicants (the "**Claims Procedure**").
4. On October 2, 2024, the Court granted the Applicants' application for an order (the "**SISP Order**") which approved, amongst other matters, a sale and investment solicitation process ("**SISP**").
5. On December 5, 2024, the Court granted the Applicants' application for an Order to extend the Stay Period from December 16, 2024 to February 25, 2025 and sealing certain confidential appendices to the Monitor's first report, dated November 29, 2024 (the "**First Report**").
6. On February 14, 2025, the Court granted:
  - a) the Applicant's application for an order, among other things, extending the Stay Period to, and including, March 31, 2025; and
  - b) the Monitor's application for an order, among other things, declaring that the Late Claims (as defined in the Monitor's second report, dated February 7, 2025 (the "**Second Report**")) are not barred under Section 12 of the Claims Procedure Order.

### 1.3 High Park Litigation Background

1. As more fully described in the first report of the Proposal Trustee, dated June 24, 2024 (the "**Proposal Trustee's First Report**"), on August 28, 2019, 420 Investments entered into an arrangement agreement (the "**Arrangement Agreement**") with High Park Shops Inc. ("**High Park**") and Tilray Inc. ("**Tilray**") pursuant to which High Park and Tilray would purchase the outstanding shares of 420 Investments.

2. On February 26, 2020, the Arrangement Agreement was terminated by High Park and Tilray (the “**Termination**”). In the Applicants’ view, the Termination resulted in damages in excess of \$130 million. As a result, on February 21, 2020, 420 Investments commenced litigation against Tilray and High Park in the Court (the “**Litigation**”). The outcome of the Litigation has yet to be determined. In response High Park submitted a counter-claim for payment of the amounts owed to them under a secured loan agreement (the “**Counter-Claim**”).
3. In early 2024, High Park obtained a summary judgement in respect of their Counter-Claim. This summary judgement was then overturned pursuant to an appeal heard by the Honourable Justice Feasby on October 8, 2024 (the “**Feasby Decision**”). High Park has appealed the Feasby Decision and that appeal is to be heard on April 17, 2025.

#### 1.4 Purposes of this Third Report

1. This Third Report is intended to provide the Court with further information related to the relief sought in the Applicants’ application scheduled for March 14, 2025 and specifically provides information regarding:
  - a) an update on the Claims Procedure;
  - b) the Monitor’s comments and report on the Applicants’ cash flow statement for the period commencing on February 3, 2025 and ending March 2, 2025 (the “**Sixth Cash Flow Statement**”);
  - c) the Applicants’ actual performance to date versus the Sixth Cash Flow Statement;
  - d) the Monitor’s comments and report on the Applicants’ cash flow statement for the period commencing on February 24, 2025 and ending May 25, 2025 (the “**Seventh Cash Flow Statement**”);
  - e) the key elements of the Applicants’ purposed plan of arrangement (the “**Plan**”);
  - f) a comparison of the estimated recoveries to the Applicants’ accepted unsecured creditors (“**Affected Creditors**”) holding Affected Claims (as defined in the Plan

and discussed in Section 3.2.1(b) below) under the Plan to their estimated recoveries in a sale scenario of the Applicants' assets (the "**Sale Scenario**");

- g) the Applicants' application for an order (the "**Meeting Order**"), which among other things, sets the date for a meeting for the purpose of considering and voting on the Plan, being 10:00 A.M. (Calgary Time) on April 3, 2025 (the "**Creditors' Meeting**");
  - h) how Affected Creditors can attend and vote at the Creditors' Meeting;
  - i) discuss the next steps in these proceedings if the Meeting Order is granted and Required Majority of Affected Creditors vote to accept the Plan;
  - j) the Applicants' application for an order, which among other things extends the Stay Period to, and including, April 30, 2025;
  - k) the Monitor's application for an order, which among other things, seals the Monitor's analysis of the Joint Bid (as defined below), until the termination of these CCAA Proceedings or further order of the Court; and
  - l) the Monitor's views on the Plan.
2. This Third Report also provides information with respect to the application filed on March 7, 2025 by High Park which requests the following relief:
- a) authorizing and directing the Monitor to resume the SISP as soon as reasonably practical, by publishing on its website a timeline and key milestones for qualified bidders to submit a binding bid and the subsequent steps to complete the SISP (the "**Resumed SISP**"); and
  - b) empowering and authorizing, but not obligating, the Monitor to do all the things reasonably necessary to complete the Resumed SISP, including to review and evaluate all bids submitted in the Resumed SISP, to identify and select the highest or otherwise best bid or bids, and to apply to the Court for orders approving any successful bids, in each case without the consent of, or in consultation with, the Applicants (the "**Resumed SISP Order**").

## 1.5 Scope and Terms of Reference

1. In preparing this Third Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, information available in the public domain and discussions with the Applicants' management ("**Management**") and Stikeman.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.
3. An examination of the Seventh Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Third Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor does not express any opinion or other form of assurance on whether the Seventh Cash Flow Statement will be achieved.
4. This Third Report should be read in conjunction with the materials filed by the Applicants, including the Affidavits of Scott Morrow, the Chief Executive Officer of the Applicants, sworn June 19, 2024, August 6, 2024, September 10, 2024, November 25, 2024, February 3, 2025, and March 4, 2025, and any supplemental affidavit filed by the Applicants in advance of the March 14, 2025 application (collectively, the "**Morrow Affidavits**"), and the materials filed by High Park on March 7, 2025. Capitalized terms not defined in this Third Report have the meanings ascribed to them in the Morrow Affidavits.

## 1.6 Currency

1. Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

## 1.7 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at [www.ksvadvisory.com/experience/case/420](http://www.ksvadvisory.com/experience/case/420) (the “Case Website”).

## 2.0 Claims Procedure

1. Following the pronouncement of the Claims Procedure Order, the Monitor has worked diligently to conduct the Claims Procedure in accordance with the timelines set out therein, and more particularly described in the Monitor’s pre-filing report and third report of the Proposal Trustee dated September 13, 2024, and the Monitor’s first report, dated November 29, 2024. During the Claims Procedure the Monitor has issued 5 notices of disallowance or revisions (“**NORD**”) to various creditors, certain of which are more fully described in Sections 2.2 and 2.3 below (the “**Revised Claims**”). As of the date of this Third Report, the Monitor was not aware of any objections filed in response to the Revised Claims although the appeal period for certain NORDs remain open.
2. The following tables summarizes the value of accepted claims in the Claims Procedure as of the date of this Third Report (collectively the “**Accepted Claims**”):

Claim Type	420 Investments Ltd. (\$)	420 Premium Markets Ltd. (\$)	Green Rock Cannabis (EC1) Limited (\$)	420 Dispensaries Ltd. (\$)	Duplicate Claims Filed in Multiple Entities (\$) <sup>1</sup>	Total (\$)
Secured Claims	11,457,077	390,000	-	-	-	11,847,077
Unsecured Claims:						
Trade Creditors	475,245	399,059	321	-	(26,050)	848,575
Landlord Creditors	1,272,703	2,242,864	-	189,651	(1,462,354)	2,242,864
Shareholder Loans	384,518	-	-	-	-	384,518
Intercompany	-	7,000,000	-	-	-	7,000,000
<b>Total</b>	<b>\$13,589,544</b>	<b>\$10,031,923</b>	<b>\$321</b>	<b>\$189,651</b>	<b>(\$1,488,406)</b>	<b>\$22,323,034</b>

<sup>1</sup> Several creditors filed duplicate claims against a number of the Applicants (the “**Duplicate Claims**”). Duplicate trade creditor claims relate to amounts filed by Stikeman on 420 Premium Markets and 420 Investments. Duplicate landlord creditor claims relate to \$807,651 and \$465,052 which were filed by Palisades Edmonton Holdings Ltd., et al. and RioCan Management Inc., respectively, against 420 Premium Markets and also against 420 Investments for indemnities relating to the disclaimed leases. Additionally, \$189,651 was filed by the landlord creditor, Strathcona Building Inc. c/o Skyslimit Inc., under 420 Premium Markets and also Dispensaries. The Duplicate Claims are removed for the purposes of determining the claim totals and for the purposes of detailing the landlord claim settlements discussed below.

## 2.1 Secured Claims

1. Secured claims filed on 420 Investments are comprised of: (i) approximately \$1.06 million filed by the Applicants' secured creditor, Nomos Capital I-A LP; plus (ii) approximately \$10.4 million filed by High Park.
2. The Monitor has reached an agreement with High Park to currently not value their claim in accordance with the Claims Procedure in order to avoid prejudicing any determination that may be made in the Litigation as it relates to their claim. High Park is treated as an Unaffected Creditor in the Plan.
3. The Secured claim filed against 420 Premium Markets was made by Stoke Canada Finance Corp. and was originally filed for the principal balance of \$300,497. The amount in the table above reflects the principal balance of the secured claim plus an estimate of the interest and costs accrued since the Filing Date.

## 2.2 Landlord Claims

1. As discussed in the Second Report, the Applicants had originally sought a declaration from this Court that the claims of the landlords subject to certain disclaimed leases were to be calculated pursuant to the formula enumerated under section 65.2(4) of the BIA.
2. Prior to the Applicant's application heard on February 12, 2025, the Applicants elected to negotiate and enter into individual settlement agreements with each landlord for the sole purpose of valuing their claim within the Plan. Of the four landlord parties, three reached a negotiated settlement (the "**Settled Landlord Claims**"). The negotiated settlement reached between each of the parties does not prevent the landlords from disputing the valuation of their claim if the Plan does not go forward, is voted down, or is not sanctioned by the Court. A summary of the Settled Landlord Claims are below:

420 Premium Ltd.	Total Unsecured Claim in the Claims Procedure	Settled Landlord Claim for Purposes of the Plan
Palisades Edmonton Holdings Ltd., et al.	807,651	237,186
RioCan Management Inc.	465,052	281,551
Strathcona Building Inc. c/o Skyslimit Inc.	189,651	123,115
<b>Total Settled Landlord Claims</b>	<b>1,462,354</b>	<b>641,852</b>
The Meadowlands Development Corporation ( <a href="#">see below</a> )	780,508	780,508
<b>Total Landlord Claims</b>	<b>2,242,864</b>	<b>1,422,361</b>

- Meadowlands Development Corporation (“**Meadowlands**”) was the only landlord that did not reach a settlement with the Applicants prior to this Third Report. Meadowlands originally filed its claim against 420 Premium Markets as an unsecured pre-filing claim for \$803,007 and an unsecured restructuring claim for \$83,907, for a total unsecured claim of \$886,914. After a review of the claim evidence provided by Meadowlands, the Monitor issued a NORD, which adjusted the creditor’s claim down to a total of \$780,508 to reflect the actual costs incurred relating to pre-filing additional rent arrears. The adjustments reflected in the NORD were based on discussions between Bennett Jones and Meadowland’s legal counsel on February 27, 2025. The NORD remains subject to the dispute resolution process period, in accordance with the Claims Procedure Order

## 2.3 Intercompany Claims

- Intercompany claims in the amount of \$35.7 million were filed between the Applicants pursuant to the Claims Procedure (the “**Intercompany Claims**”). The Monitor, together with Bennett Jones, reviewed the Intercompany Claims to determine whether those Intercompany Claims validly constituted debts in the CCAA Proceedings or were more properly characterized as equity. Ultimately, the Monitor issued several NORDs resulting in \$7 million of the Intercompany Claims being considered an Accepted Claim in accordance with the Claims Procedure. A summary of the Monitor’s findings is below.

### Jurisprudence

- The Monitor, and Bennett Jones, reviewed the jurisprudence regarding the characterization of non-arm’s length intercompany advances (the “**Advances**”). In



particular, the Monitor and Bennett Jones, reviewed the decision of Justice Witon-Siegel in *US Steel*<sup>2</sup>, which has been subsequently followed in Alberta in the decision of Justice Romaine in *Lexin*<sup>3</sup>. The Monitor applied the frameworks arising from these decisions in reaching its conclusions, namely that the determination of whether the Intercompany Claims were properly characterized as debt or equity must address not only the expressed intentions of the Applicants, but also the manner in which the relevant transactions were implemented and the economic reality of the surrounding circumstances. The Monitor further reviewed the two-part test outlined in *U.S. Steel* for situations involving parent-subsidary relationships, namely:

- a) subjectively, did the alleged lender actually expect to be repaid the principal amount of the loan with interest out of the cashflows of the alleged borrower; and
  - b) objectively, was the expectation reasonable under the circumstances.
3. The Monitor further considered that the *US Steel* and *Lexin* decisions enumerated several factors that can be considered, noting however that these are no more than an aid in determining substantive reality and should not be used in a “score-card” manner. The Monitor’s focus was on the manner in which the transactions giving rise to the Intercompany Claims were implemented and the underlying economic reality of those transactions.

#### Subjective Intention

4. In discussions with the Management of the Applicants and correspondence with Stikeman, the Monitor understands that 420 Investments intended that all transactions recorded in its books and records and identified in proofs of claim were debt advances that would ultimately be repaid, with interest, out of the cash flows of 420 Premium Markets. Management and Stikeman explained that 420 Investments has no direct operations from which it could raise revenue and all intercompany amounts could therefore only be repaid to the original source of financing when 420 Investments was repaid by 420 Premium Markets. Based on this explanation, the Monitor has determined that there was a subjective intention that the Intercompany Claims be

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<sup>2</sup> See *Re US Steel Canada Inc*, 2016 ONSC 569 (“**US Steel**”)

<sup>3</sup> See *Alberta Energy Regulator v Lexin Resources Ltd.*, 2018 ABQB 590 (“**Lexin**”)

repaid as debt.

#### Objective Reasonableness

5. The Monitor, and Bennett Jones, reviewed the objective information provided by the Applicants in relation to the Intercompany Claims. This included: (i) the proofs of claim submitted; (ii) the books and records of the Applicants; (iii) a summary of the transactions recording the Advances giving rise to the Intercompany Claims; (iv) a summary of the conversion of certain Advances from debt to equity post Advance; and (v) explanations provided by Management related to the usage of these Advances for working capital and operational purposes.
6. The Monitor's reviewed determined that there were no specific written agreements related to the Intercompany Claims other than the recording of the Advances in the books and records of the Applicants. Accordingly, there were no set maturity dates for repayment or enumerated interest repayment obligations, nor were the Advances secured. While this is a factor that may in some cases be indicative of equity advances, the Monitor is cognizant of comments by Justice Wilton-Seigel in US Steel that it is common in wholly owned parent/subsidiary relationships for intercompany advances that are classified as debt to not be extensively documented and that there is nothing improper arising from a lack of documentation.
7. The Monitor further reviewed a summary of the initial source of the capital into 420 Investments (whether the funds were raised through shareholder loans or contributions or raised from arm's length sources) and whether the nature of those source amounts changed over time. The Monitor determined that the majority of the amounts were initially raised through convertible debts that were ultimately converted into equity between September 2020 and March 2024. Additionally, a small amount was repaid to the original lender.
8. Of the amounts that were not converted and remained outstanding debt obligations owing by 420 Investments include:
  - a) \$7,000,000 advanced by High Park; and
  - b) \$340,000 advanced by certain shareholders.
9. Due to the shareholder relationship underlying the \$340,000 advances (and because

those amounts were advanced as unsecured claims that are subject to the Plan) the Monitor determined that subsequent Intercompany Claims could not be fairly characterized as debt in these CCAA Proceedings.

10. Based on the above, the Monitor determined that \$7,000,000 of the Intercompany Claims (the “**Accepted Intercompany Claims**”) can be considered debt and thus an Accepted Claim pursuant to the Claims Procedure, for the following reasons:
  - a) the Accepted Intercompany Claim was initially advanced from an arm’s length party to 420 Investments;
  - b) the Accepted Intercompany Claim, together with other intercompany transfers, flowed to 420 Premium Markets between 2019 and 2020 as reflected in the books and records of the Applicants;
  - c) the intended source of repayment of the Accepted Intercompany Claim is from the cash flows of 420 Premium Markets; and
  - d) all funds were used for working capital purposes to fund the operations of 420 Premium Markets.
11. Based on the foregoing, the Monitor has determined that the manner in which the transactions were implemented and the underlying economic reality of the Accepted Intercompany Claim results in a proper characterization of those advances as debt and thus a valid Accepted Claim under the Claims Procedure.

### 3.0 The Plan

1. Sections 3 and 4 of this Third Report provide summaries of the Plan and the Meeting Order, but do not address each and every provision of the Plan and the Meeting Order. Accordingly, creditors should carefully read the Plan and the Meeting Order in their entirety and should consult such advisors as they consider necessary. In particular, creditors should review whether or not they are affected under the Plan. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Third Report and the Plan or the Meeting Order, the provisions of the Plan or the Meeting Order, as applicable, govern.
2. The Monitor understands that the Applicants will be filing certain amendments to the

Plan to clarify that the Affected Creditors will include the unsecured creditors of 420 Investments. At the time of the developed of the Plan, the Applicants anticipated that the unsecured claims of 420 Investments would be classified as claims against 420 Premium Markets, however this has not occurred as of the date of this Third Report. The Monitor's analysis of the Plan assumes these proposed amendments are made to the Plan.

3. Capitalized terms not defined in Sections 3 and 4 below are as defined in the Plan or the Meeting Order, as applicable.

### **3.1 Purposes of the Plan**

1. The Plan is presented with the expectation that stakeholders who have an economic interest in the Applicants will derive greater benefit from the implementation of the Plan than they would from a sale of the Applicants' assets and/or a wind-up of the business.
2. The overall purposes of the Plan are to:
  - a) provide for a settlement and payment of all Affected Claims (which include all unsecured claims against 420 Investments and 420 Premium Markets);
  - b) provide a mechanism for the distribution of the Creditor Cash Pool, along with the election for the Litigation Proceeds Election or Parent Share Election to provide for a full recovery to the Affected Creditors, contingent on the outcome of the Litigation and the future value of the shares of 420 Investments; and
  - c) ensure the continuation of the operations of the Applicants and continue the Litigation for the benefit of stakeholders.

## 3.2 Terms and Conditions of the Plan

1. The following section provides an overview of the key aspects of the Plan.
  - a) **Classification of Creditors:** the Plan has two classes of creditors for the purpose of considering and voting on the Plan, being the “**Affected Creditors Class**”<sup>4</sup> and the “**Stoke Claim**”.
  - b) **Persons Affected:** the Plan provides for a compromise, settlement and/or payment over time of the Affected Claims. The Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. An Unaffected Claim means an Excluded Claim, which is any right or claim that would otherwise be a Claim that is:
    - i. secured claims filed against 420 Investments;
    - ii. a Claim secured by the Charges;
    - iii. a Crown Claim;
    - iv. Employee Priority Claim
    - v. an Accepted Intercompany Claim;
    - vi. a Post-Filing Claim; and
    - vii. a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA<sup>5</sup>.
  - c) **Convenience Class Creditors:** a Convenience Class Creditor is an Affected Creditor with an Accepted Claim that is owed less than or equal to \$10,000. Convenience Class Creditors are to be paid their claims in full up to a maximum amount of \$10,000.

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<sup>4</sup> This incorporates the Plan amendments discussed in Section 3.0.2.

<sup>5</sup> Refers to claims that: (a) relate to contractual rights of one or more creditors; (b) claims based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors; and/or (c) arose by virtue of a fine, penalty, restitution order, damages by a court in civil proceedings in respect of bodily harm intentionally inflicted, sexual assault or wrongful death, fraud, embezzlement, misappropriation, defalcation or interest on any of the foregoing.

As at the date of this Third Report, there are four Affected Creditors with Accepted Claims less than or equal to \$10,000<sup>6</sup>. Pursuant to the Plan, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. Affected Creditors with claims more than \$10,000 can elect to be treated as a Convenience Class Creditor.

d) **Distribution to Creditors:**

- i. **Convenience Class Creditors:** on the Implementation Date, each Convenience Class Creditor will receive, in full satisfaction of its Accepted Claim, a cash payment in the amount equal to the lesser of the following:
  - its Accepted Claim; and
  - \$10,000;
- ii. **Affected Creditors Other than Convenience Class Creditors:** on the Implementation Date, each Affected Creditor with Accepted Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Accepted Claim, a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Payment at a later date as more fully described under the Litigation Proceeds Election Process, or Parent Share Conversion Payment as more fully described in the Parent Share Conversion Election Process<sup>7</sup>. The Litigation Proceeds Election Process and Parent Share Conversion Election are collectively defined herein as the “**Election Consideration**”;
- iii. **Parent Share Conversion:** an Affected Creditor may elect to receive Parent Shares equating to the full value of an Affected Creditor’s Claim, less any amounts received through participation in the Creditor Cash Pool; and
- iv. **Litigation Proceeds Payment:** an Affected Creditor may also elect to receive the Litigation Proceeds Payment upon their election to choose the

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<sup>6</sup> Includes Atripco Delivery Service, City of Medicine Hat, Zeiffmans LLP, and Roxboro Group Inc.

<sup>7</sup> The valuation and mechanics of the Election Consideration have yet to be determined as of the date of this Third Report. To the extent possible, the Monitor will provide further supplemental reporting prior to the Meeting, should such Meeting be ordered by this Court.

Litigation Proceeds Payment, less any amounts received through participation in the Creditor Cash Pool.

- e) **Resolution of Disputed Claims:** an Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim.
- f) **Intercompany Creditors:** pursuant to the Plan, Intercompany Claims will not be entitled to a vote in the Plan, to receive a cash payment, or be able to exercise any election including the Litigation Proceeds Payment or the Parent Share Conversion. The Monitor understands that the Intercompany Claims are unaffected and will survive following the Plan Implementation Date.
- g) **Other Features of the Plan:**
  - i. **Releases:** as detailed in Section 8 of the Plan, approval of the Plan contemplates releases of all claims of Affected Creditors (other than obligations created under the Plan) against: (a) the Applicants, the Directors, the Officers, and the Applicants' current and former employees, advisors, legal counsel and agents, (b) the Monitor and its legal counsel, and (c) any other Person who is a beneficiary of a release under the Plan. The Monitor understands that the Applicants will make submissions regarding the appropriateness of the Releases in advance of a Sanction Order hearing (should one occur) and the Monitor will provide further commentary regarding the proposed Releases at such time; and
  - ii. **Approval:** if the Plan is accepted by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set. Pursuant to the Meeting Order, the Applicants have scheduled a hearing on April 24, 2025 at which they intend to bring an application seeking the Sanction Order.

- h) **Conditions Precedent:** implementation of the Plan is subject to the following material conditions:
- i. the Plan shall have been accepted by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;
  - ii. the Sanction Order shall have been granted by the Court;
  - iii. the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor; and
  - iv. all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants.
- i) **Estimated Distributions on the Implementation Date:** the table below reflects the distribution of the Creditor Cash Pool available to Affected Claims, which are estimated to be \$1.4 million (being 55 cents on the dollar value of remaining Affected Claims, after accounting for the full payment being made for the Stoke Claim and Convenience Class Creditors).

Description	Amount (\$000s)
Funds Available for Distribution (estimated)	1,850
Stoke Claim <sup>8</sup>	(390)
Convenience Claims Creditor payout (estimated)	(16)
<b>Estimated Distribution</b>	<b>1,444</b>
Total Affected Claims (excluding Convenience Class Creditors)	2,639 <sup>9</sup>
<b>Estimated Return Payable in Cash</b>	<b>55%<sup>10</sup></b>

<sup>8</sup> Includes an estimate of interest incurred through to the Plan Implementation Date.

<sup>9</sup> Total Affected Claims is calculated as the total of \$848,575 in unsecured trade creditor claims; [+] \$384,518 in unsecured shareholder loans; [+] \$1,422,361 in Landlord Claims; [-] approximately \$16,000 in Convenience Class Creditors.

<sup>10</sup> The remaining 45% recovery may result from the Election Consideration. The Monitor notes it cannot assign any monetary value to either shares received (as they are for an illiquid private company that is currently in CCAA Proceedings) and the Litigation Proceeds Payment is highly conditional on the results of the Litigation.



### 3.3 Plan Funding

1. As described in the Second Report, the Applicants executed a term sheet on January 9, 2025 (the “**Term Sheet**”) for the purposes of obtaining funding to implement the Plan.
2. On February 7, 2025 the definitive loan agreement subject to the Term Sheet was finalized and signed by all parties (the “**Plan Funding Loan Agreement**”). The terms and conditions of the Plan Funding Loan Agreement reflect the Term Sheet and are described in the Second Report. Notably, the funding available under the Plan Funding Loan Agreement is conditional on both creditor approval and Court Sanction of the Plan.
3. On March 3, 2025, the Monitor obtained a comfort letter from a third-party financial institution confirming the lender for the Plan Funding Loan Agreement had the financial capacity to fund pursuant to the Plan Funding Loan Agreement. The Monitor is advised that the lender is familiar with CCAA Proceedings and understands the current process to seek approval of the Plan.

### 4.0 Meeting Order

1. Pursuant to the Meeting Order, the Creditors’ Meeting is to be convened virtually at 10:00 A.M. (Calgary time) on April 4, 2025, for the purpose of considering and voting on a resolution to accept the Plan.
2. The only persons entitled to attend the Creditors’ Meeting are: (i) Affected Creditors or their Proxies who have duly registered in accordance with the Electronic Meeting Protocol (which is appended as Schedule “A” to the Meeting Order and available on the Website); (ii) representatives of the Applicants; (iii) representatives of the Monitor; (iv) the Chair; (v) any other person invited to attend by the Chair; and (vi) legal counsel to any person entitled to attend the Creditors’ Meeting.
3. Affected Creditors who would like to attend the Creditors’ Meeting are required to: (i) complete and sign an Affected Creditor Proxy; (ii) specify within the Affected Creditor Proxy the name of the Person with the power to attend and vote at the Creditors’ Meeting on behalf of the Affected Creditor; and (iii) deliver such Affected Creditor Proxy to the Monitor by email at [apoeschek@ksvadvisory.com](mailto:apoeschek@ksvadvisory.com) by 5:00 p.m. (Calgary

time) on the date that is two Business Days prior to the Creditors' Meeting (i.e., by 5:00 p.m. (Calgary Time) on April 2, 2025).

4. As part of the Creditors' Meeting, the Chair is required to direct a vote on the resolution to approve the Plan. Each Affected Creditor with a Voting Claim, other than a Convenience Class Creditor, shall be entitled to one vote equal to the dollar value of its Affected Claim as at the Filing Date and can either vote for or against the Plan. For voting purposes, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. The only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims. Intercompany Creditors cannot vote in favour of the Plan.

## **5.0 Monitor's Assessment of the Plan**

1. The Applicants have made significant efforts to prepare the Plan and to obtain funding to allow for the distributions under the Plan outlined above. The Applicants have prepared the Plan in a manner they believe achieves a result that is a fair and reasonable compromise between the Applicants and the Affected Creditors, while leaving the secured claims (whether conditional or not) of 420 Investments unaffected.
2. It is a condition of the Plan that the Affected Creditors must approve the Plan by the Required Majority. For greater certainty, the Affected Creditors shall not be bound by the terms of the Plan unless a Required Majority votes to approve the Plan. The Plan must be then sanctioned by the Court. If the Plan is not approved or sanctioned, it is likely that the Applicants must liquidate the Applicants' business, which could be completed through a further/reopened SISP in these CCAA Proceedings or in a bankruptcy. However, the failure of a Plan will not necessarily result in an immediate bankruptcy of one or more of the Applicants. Moreover, it would remain open to the Applicants to advance a further revised plan of compromise and arrangement.
3. As described in Section 2 of the Second Report, the Monitor, together with the Applicants, carried out the SISP in accordance with the SISP Order. The SISP resulted in a total of five interested parties who submitted eight binding offers or proposals. Following a review completed by the Applicants of the bids received within the SISP, the Applicants determined the Plan would provide for better recoveries for the Affected Creditors.

4. Notwithstanding the Applicants ultimate decision to proceed with the Plan, conducting the SISP has proved useful for the Monitor in determining the potential liquidation value of the Applicants in the Sale Scenario. The preliminary assessment of value under the Sale Scenario is based on a range of factors derived from information from binding offers in Phase 2 of the SISP, leading to an indicative value for the purposes of comparing the Sale Scenario to the Plan of approximately \$5,000,000.

## **5.1 Restrictions**

1. The preliminary assessment of value used in the Sale Scenario is not considered a formal business and/or asset valuation opinion and the Monitor has not provided such an opinion thereon. In preparing this analysis, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to the Monitor by either Management or certain external information.
2. Although the information has been reviewed for reasonableness, the Monitor has not independently verified the accuracy or completeness of the information provided by Management nor conducted an audit, and accordingly, the Monitor is not providing any form of assurance thereon. The Monitor does not provide any assurance on the reasonableness of its assumptions in determining the indicative Sale Scenario value.
3. Any changes to one or more underlying assumptions or the information provided may have a material impact on any calculations and/or conclusions contained in this Third Report. Finally, the Monitor is not providing an opinion on the fair market value in accordance with the Canadian Institute of Chartered Business Valuators Practice Standard 110 or any other valuation standards.

## 5.2 Comparative Analysis

1. A comparison of the estimated recoveries to Affected Creditors under the Plan versus the estimated recoveries in the Sale Scenario is provided in the table below.

Description	Notes	Amount (\$000s)	
		Plan	Sale Scenario
Funds available for distribution (estimated)	(a)	1,850	5,000
Secured Creditor (Stoke)	(b)	(390)	(390)
Convenience Class Creditor payments		(16)	-
<b>Funds available for distribution</b>		<b>1,444</b>	<b>4,610</b>
Affected Creditors (Unsecured)	(c)	2,639	2,655
Intercompany Claims	(d)	-	7,000
<b>Total Claims</b>		<b>2,639</b>	<b>9,655</b>
<b>Cash Distribution (%)</b>	(e)	<b>55%</b>	<b>48%<sup>11</sup></b>

2. The following notes correspond to the references in the table:
  - a) Reflects the estimated Creditor Cash Pool (as defined within the Plan) and the estimated funds available for distribution.
  - b) Payment in full for the Stoke Claim. Includes an estimate of interest accrued through to the Plan Implementation Date.
  - c) Affected Creditors under the Plan include: (i) the unsecured creditors of 420 Premium Markets, inclusive of the Settled Landlord Claims; plus (ii) the unsecured creditors of 420 Investments; less (iii) the estimated Convenience Class Creditors. Affected Creditor valuations under the Sale Scenario are the same except for the exclusion of the Convenience Class Creditors. The valuation of the Accepted Claims for the Affected Creditors in the Sale Scenario may be subject to change, and these changes may be material. The Monitor has utilized the Settled Landlord Claims for the purposes of this calculation, however, the claims of the landlord creditors may be impacted based on a determination of claims in the Sale Scenario and subject to further Court order or calculations pursuant to the BIA.

<sup>11</sup> The Sales Scenario does not include the impact of professional fees in a liquidation proceeding, which would lower the projected return.

- d) Accepted Intercompany Claims do not participate as an Affected Creditor under the Plan. In the Sale Scenario, intercompany creditors are entitled to be paid on a pro-rata basis with all other unsecured creditors. This aspect of the Plan significantly increases the value to Affected Creditors.
  - e) While the above analysis includes the Affected Claims of the unsecured creditors of 420 Investments, a return to the unsecured creditors of 420 Investments is not anticipated in the Sale Scenario.
- 3. Subject to the underlying assumptions above, the comparative analysis reflects that the Affected Creditors are projected to receive consideration from the Plan that would be greater than they would receive in the Sale Scenario, together with the opportunity to participate in the future success of the Applicants' going concern business or the outcome of the Litigation.
  - 4. Pursuant to section 23(1)(i) of the CCAA, the Monitor is of the opinion that the Plan is fair and reasonable and provides the best available return in contrast to the Sale Scenario. However, as outlined below, should this Court authorize the Resumed SISP, it is possible that a further offer may be obtained that could result in a greater monetary recovery for Affected Creditors. That said, the Resumed SISP carries several risks and uncertainties, including the potential outcome of receiving no bids or a bid that provides for a lower return to the Affected Creditors than the return outlined in the Plan.

## 6.0 Resumed SISP

- 1. High Park has filed a cross-application with this Court requesting that the SISP be resumed under the Monitor's supervision and direction. The Monitor understands that High Park's application is based on its assertion that the joint bid submitted within the SISP was misinterpreted by the Applicants and the Monitor and should, hypothetically, result in full cash recovery for 420 Premium Market's unsecured creditors and 420 Investments senior secured lender (the "**Joint Bid**"). This contrasts with the Plan, which provides for a cash recovery of up to 55% for the Affected Creditors and potential further recoveries from the Election Consideration.
- 2. The Monitor notes the following regarding the Joint Bid:
  - a) the Joint Bid was submitted on December 20, 2024 and was reviewed by the

Applicants and the Monitor and evaluated in relation to the other bids received;

- b) the High Park application states that the consideration under the Joint Bid would repay in full all of 420 Premium Markets' and Green Rock's third-party unsecured creditors, and 420 Investments' senior secured creditor;
  - c) however, the view of the Applicants and the Monitor at the time of reviewing the bids, was that the Joint Bid would not accomplish a pay out of the third-party creditors of 420 Premium Markets and Green Rock as a result of the way the Joint Bid was structured;
  - d) the Applicants were also of the view that the offers received for the Litigation did not maximize the value for its stakeholders; and
  - e) the Joint Bid was rejected by the Applicants along with the other bids received in the SISF as the Applicants were of the view that a Plan could be advanced that would result in an equal or greater outcome to stakeholders.
3. On January 16, 2025, the Monitor received a letter from DLA Piper (Canada) LLP (the "**DLA Letter**") who was acting as counsel for High Park and Tilray Inc. that, amongst other matters, described the mechanics of the Joint Bid. The DLA Letter is attached as Confidential Exhibit "C" to the affidavit sworn by Lisa Roy on March 7, 2025 (the "**Roy Affidavit**") filed in these CCAA Proceedings. As the terms of the Joint Bid were not made public in the High Park materials, the Monitor will not be commenting publicly on the specifics of the Joint Bid. A confidential summary of the Monitor's analysis of the Joint Bid is attached as **Confidential Appendix "1"**.
4. On January 24, 2025, the Monitor issued a letter that responded to the DLA Letter explaining, and commenting on other matters, that both the Monitor's and the Applicants' understanding of the mechanics of the Joint Bid and that it would not result in distributions to 420 Premium Markets' creditors. A copy of this letter is attached as Confidential Exhibit "D" to the Roy Affidavit. The Monitor also sent an email to Blakes, Cassels & Graydon LLP ("**Blakes**") on January 28, 2025 that further explains the Monitor's views on the Joint Bid. A copy of this email is attached to the Roy Affidavit as Confidential Exhibit "E".
5. On February 4, 2025, Blakes wrote to the Monitor further clarifying the Joint Bid which, in their view, would provide for a full recovery for the creditors of 420 Premium

Markets. Included in this letter was an acknowledgement by counsel for High Park/Tilray that the allocation of the consideration in the Joint Bid was not clear, and in their view, this was a result of a Subscription Agreement (as defined within the Confidential Appendix “1”) provided by the Applicants that did not provide for an allocation of the consideration. A copy of this letter is attached to the Roy Affidavit as Confidential Exhibit “F”.

6. The Monitor is of the view that it now understands the intent of the Joint Bid with the subsequent clarifications, (the “**Clarified Joint Bid**”), however, it remains of the view that the initial Joint Bid did not achieve the intent of the Clarified Joint Bid.
7. The Monitor understands the intent of the Resumed SISP would therefore allow High Park to clarify and resubmit its bid for consideration by the Applicants and their creditors. If the Clarified Joint Bid were advanced as clarified, it would result in the assumption of the Intercompany Claims and a full cash payment of the Affected Claims. However, the Monitor cannot guarantee that the Clarified Joint Bid would be advanced in the manner presented or that this Court would sanction a transaction arising from the Clarified Joint Bid.
8. Should this Court grant the Resumed SISP Order, the Monitor is well-positioned to recommence the SISP, having previously conducted the process in accordance with the SISP Order and possessing the necessary experience and personnel to effectively resume the SISP procedures.
9. The Monitor takes no position on the merits of the High Park application and understands the Applicants will be filing responding materials in advance of the March 14, 2025 hearing.

## **7.0 Cash Flow Statement**

### **7.1 Performance Against the Sixth Cash Flow Statement**

1. In accordance with the CCAA, the Monitor has continued to review and evaluate the state of the Applicants’ business and financial affairs during the CCAA Proceedings.
2. Pursuant to the CCAA, the Applicants prepared the Sixth Cash Flow Statement for the extended Stay Period. The Sixth Cash Flow Statement for the period ending March 31, 2025, together with management’s Report on the Cash-Flow Statement as

required pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix “A”**.

3. The Applicants have remained current in respect of their obligations that have arisen since the Second Report except for the rental payments owing relating to certain leases that were disclaimed at the outset of the NOI Proceedings. Further details on the disclaimed leases are documented in the Proposal Trustee’s First Report.
4. A review process was established with the Applicants to review weekly cash variances. A comparison of the Applicants’ receipts and disbursements to the Sixth Cash Flow Statement for the period from the Second Report to February 23, 2025 (the “**Reporting Period**”) is as follows:

<b>Post Filing Reporting Period (\$CAD)</b>	<b>Actual</b>	<b>Sixth Cash Flow Statement</b>	<b>Favourable / (Unfavourable) Variance</b>
Opening Cash balance	488	488	(0)
Receipts	1,565	1,687	(122)
Operating Disbursements	(1,706)	(1,773)	67
Net Cash Flow from Operations	(141)	(86)	(55)
Non-operating disbursements	(106)	(168)	62
Net Cash Flow	(247)	(254)	
Closing cash balance	241	233	

#### Monitor’s Comments

5. During the Reporting Period, the Applicants experienced slightly lower business activity than forecasted, resulting in less receipts than anticipated.
6. Operating disbursements were approximately \$67,000 lower than projected primarily as a result of the lower business activity. Non-operating disbursements were also lower than forecasted as a result of timing of professional fees.

## **7.2 The Seventh Cash Flow Statement**

1. The Applicants prepared the Seventh Cash Flow Statement for the purposes of the extended Stay Period. The Seventh Cash Flow Statement assumptions are largely consistent with the Sixth Cash Flow Statement assumptions except for the time period covered.



2. The Seventh Cash Flow Statement and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as **Appendix "B"**.
3. The Seventh Cash Flow Statement reflects that the Applicants have sufficient liquidity for the duration of the Stay Period.
4. Based on the Monitor's review of the Seventh Cash Flow Statement, the assumptions appear reasonable. The Monitor's statutory report on the Seventh Cash Flow Statement is attached hereto as **Appendix "C"**.

## 8.0 Applicants' Request for an Extension

1. The Applicants are seeking an extension of the Stay Periods from March 30, 2025 to April 30, 2025. The Monitor supports the extension request for the following reasons:
  - a) the Monitor's observations are that the Applicants are acting in good faith and with due diligence;
  - b) the extension of the Stay Period allows the necessary time for the Applicants' to hold the Creditors' Meeting to vote on the Plan; and
  - c) the extension should not adversely affect or prejudice any group of creditors as the Applicants are projected to have sufficient liquidity for the extended Stay Period as contemplated by the Seventh Cash Flow Statement.

## 9.0 Sealing

1. The Monitor is seeking the Sealing Order to seal Confidential Appendix "1" until the earlier of: (i) termination of the CCAA Proceedings; or (ii) further order of this Court, as Confidential Appendix "1" contain confidential information, including a summary of a binding bid submitted in the SISP. Making this information publicly available prior to the termination of the CCAA Proceedings could have a detrimental impact on the outcome of the CCAA Proceedings. Sealing Confidential Appendix "1" is necessary due to the risk that the public disclosure of the information contained in the same could cause irreparable prejudice to creditors and other stakeholders.
2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Monitor is

not aware of any party that will be prejudiced if the information in Confidential Appendix “1” is sealed or any public interest that will be served, if such details are disclosed in full. The Monitor is of the view that the sealing of Confidential Appendix “1” is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing of Confidential Appendix “1” is appropriate in the circumstances.

## 10.0 Next Steps and Monitor’s Recommendation

1. The Monitor acknowledges that there are numerous considerations for the Court to consider in granting either the Resumed SISP Order or the Meeting Order, including the potential return to creditors under either scenario.

### Resumed SISP Order

2. From the Monitor’s view the following matters should be taken into consideration with respect to the Resumed SISP:
  - a) there are currently no binding offers as all offers were rejected in the SISP, and it is uncertain whether any of the Phase 2 Bids in the SISP will be submitted in a Resumed SISP process or if they will be submitted on the same, better or worse terms. As disclosed in the Second Report, the Monitor and/or Applicants have heard from other bidders that they remain ready and willing to progress their bid;
  - b) High Park states that the Clarified Joint Bid will result in a full recovery to the Applicants’ creditors and is therefore more favourable than the Plan. Notwithstanding this possible outcome, it is important to highlight that at this point this is largely hypothetical as there is no binding offer presented to the Applicants or the Monitor;
  - c) the Monitor further understands the Applicants are of the view they may require interim financing to fund the proposed Resumed SISP process. While the actual operating results will determine the liquidity position of the Applicants, the Seventh Cash Flow Statement does provide for sufficient liquidity over the Stay Period. Notwithstanding this, the Monitor highlights that the liquidity position does remain tight throughout the Stay Period; and

- d) should this Court grant High Park’s application, the Monitor is the positioned to quickly resume the Resumed SISP. If the Court orders a Resumed SISP, the Monitor will work diligently to conduct the Resumed SISP on the terms directed by this Court.

#### Meeting Order

3. Should this Court instead approve the Meeting Order, the Monitor is required, as soon as practicable following the Creditors’ Meeting, to file a report with the Court that includes the result of the votes at the Creditors’ Meeting, including whether the motion to vote on the resolution to approve the Plan has been accepted by the Required Majority of Affected Creditors, and such further and other information as determined by the Monitor to be necessary.
4. If the Plan is accepted by the Required Majority of Affected Creditors, the Meeting Order authorizes the Applicants to bring a motion at the hearing scheduled for April 24, 2025 (the “**Sanction Hearing**”) seeking the issuance of the Sanction Order that will, among other things, approve and sanction the Plan.
5. The Meeting Order provides that any party who wishes to oppose the final sanctioning of the Plan must serve the Applicants, the Monitor and the parties listed on the Service List with a copy of the materials to be relied upon to oppose the motion for the Sanction Order, setting out the basis for such opposition, at least three days before the date set for the Sanction Hearing (i.e. on or before April 22, 2025).
6. Provided the Plan is approved by the Court, it will then require implementation by the Applicants in accordance with its terms. It is expected that this will occur in the first half of 2025. Affected Creditors would receive their cash distributions at that time.
7. If the Meeting Order is granted, the Monitor recommends the Affected Creditors vote in favour of the Plan as the Plan is anticipated to provide for greater recoveries and more certainty than under the Sale Scenario.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
in its capacity as Monitor of the Applicants,  
and not in its personal capacity**

## **Appendix “A”**

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.

Cash Flow Forecast

February 3, 2025 to March 31, 2025

(Unaudited; C\$000s)

	Note	Period ending								Total
		09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	31-Mar-25	
	1									
Receipts										
Collection of Accounts Receivable	2	562	562	562	565	565	565	565	565	4,511
Total Receipts	3	562	562	562	565	565	565	565	565	4,511
Disbursements										
Inventory purchases	4	353	353	353	361	361	366	366	366	2,876
Payroll	5	205	-	205	-	205	-	205	-	820
Rent	6	180	-	-	-	182	-	-	-	362
Other operating expenses	7	36	64	25	25	52	32	26	26	287
Total Operating disbursements		774	417	583	386	800	398	596	391	4,344
Net Cash Flow before the Undernoted		(211)	146	(20)	179	(235)	167	(31)	174	167
Professional Fees	8	40	128	-	-	-	128	-	-	296
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Opening Cash balance	9	488	236	254	233	412	178	217	185	488
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Closing cash balance		236	254	233	412	178	217	185	359	359

The above financial projections are based on management's assumptions detailed in Appendix "1-1".

The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.

Notes to Projected Statement of Cash Flows

February 3, 2025 to March 31, 2025

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#### **Purpose and General Assumptions**

- The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 3 to March 31, 2025 (the "Period").
- 1.

#### **Hypothetical**

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.
3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

#### **Most Probable**

4. Represents inventory stock purchases for retail locations.
5. Reflects payroll costs of employees.
6. Represents occupancy costs for the various retail locations.
7. Other expenses include marketing costs for each retail location and general administrative expenses.
8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.
9. Opening cash reflected as of February 3, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)  
LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT  
(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 5th day of February, 2025 for the period February 3, 2025 to March 31, 2025 ("**Sixth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Sixth Cash Flow Statement.


The hypothetical assumptions are suitably supported and consistent with the purpose of the Sixth Cash Flow Statement as described in Note 1 to the Sixth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Sixth Cash Flow Statement.

Since the Sixth Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Sixth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Sixth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 5th day of February, 2025.

**420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)  
LIMITED AND 420 DISPENSARIES LTD.**

  
\_\_\_\_\_  
Per: Ryan Pernal, CFO



## **Appendix “B”**

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.  
Cash Flow Forecast  
February 24, 2025 to May 25, 2025  
(Unaudited; C\$000s)

Period ending															
	Note	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	11-May-25	18-May-25	25-May-25	Total
Receipts	1														
Collection of Accounts Receivable	2	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Total Receipts	3	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Disbursements															
Inventory purchases	4	361	350	361	350	361	371	361	371	346	372	372	372	372	4,719
Payroll	5	-	205	-	205	-	205	-	205	-	205	-	205	-	1,230
Rent	6	-	182	-	-	-	182	-	-	-	182	-	-	-	546
Other operating expenses	7	47	41	27	26	42	35	32	26	50	35	26	26	58	473
Total Operating disbursements		407	779	387	581	403	793	393	602	396	794	398	603	431	6,968
Net Cash Flow before the Undernoted		161	(228)	156	(38)	140	(231)	169	(40)	166	(229)	167	(38)	135	290
Professional Fees	8	-	128	-	-	-	-	128	-	-	-	-	128	-	384
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Opening Cash balance	9	241	401	46	202	163	303	72	113	73	239	10	177	12	241
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Closing cash balance		401	46	202	163	303	72	113	73	239	10	177	12	146	146

The above financial projections are based on management's assumptions detailed in Appendix "1-1".  
The note references correspond to the assumption numbers shown in Appendix "1-1".

**Purpose and General Assumptions**

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 24 to May 25, 2025 (the "Period"). The projections omit the proceeds and payments contemplated under the Plan.

**Hypothetical**

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.
3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

**Most Probable**

4. Represents inventory stock purchases for retail locations.
5. Reflects payroll costs of employees.
6. Represents occupancy costs for the various retail locations.
7. Other expenses include marketing costs for each retail location and general administrative expenses.
8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.
9. Opening cash reflected as of February 23, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)  
LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT  
(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 9th day of March, 2025 for the period February 24, 2025 to May 25, 2025 ("**Seventh Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Seventh Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Seventh Cash Flow Statement as described in Note 1 to the Seventh Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Seventh Cash Flow Statement.

Since the Seventh Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Seventh Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Seventh Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 9th day of March, 2025.

**420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)  
LIMITED AND 420 DISPENSARIES LTD.**



Per: Ryan Pernal, CFO

## **Appendix “C”**

**IN THE COURT OF THE KING'S BENCH OF ALBERTA**

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

**AND IN THE MATTER OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1)  
LIMITED AND 420 DISPENSARIES LTD.**

**MONITOR'S REPORT ON THE CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") as of the 10th day March, 2025, consisting of a weekly projected cash flow statement for the period February 24, 2025 to May 25, 2025 (the "**Seventh Cash Flow Statement**") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Seventh Cash Flow Statement.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Seventh Cash Flow Statement.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Seventh Cash Flow Statement;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Seventh Cash Flow Statement, given the hypothetical assumptions; or
- c) the Seventh Cash Flow Statement does not reflect the probable and hypothetical assumptions.

Since the Seventh Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Seventh Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Seventh Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

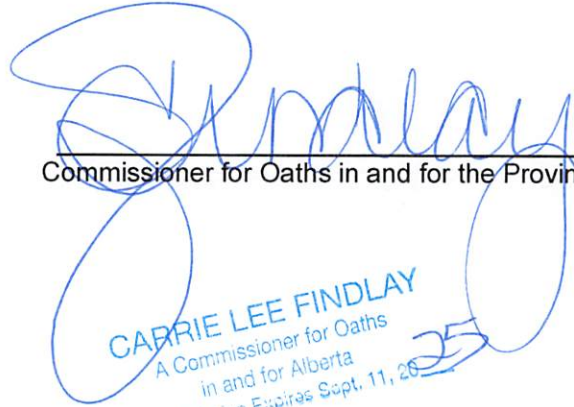
Dated at Calgary, AB this 10th day of March, 2025.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,**

solely in its capacity as the proposed monitor of  
420 Investments Ltd., 420 Premium Markets Ltd.,  
Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.

This is Exhibit "F" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025



Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025





COURT FILE NUMBER **2401-17986**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDING **IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, RSC 1985, c. C-36, as amended  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM  
MARKETS LTD., GREEN ROCK CANNABIS (EC) LIMITED  
AND 420 DISPENSARIES LTD.**



DOCUMENT **SUPPLEMENT TO THE THIRD REPORT OF THE MONITOR**

**APRIL 8, 2025**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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**MONITOR'S COUNSEL**

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Contents	Page
----------	------

1.0	Introduction .....	1
2.0	Plan Amendments .....	1
3.0	Amended Plan Funding.....	4
4.0	Conclusion and Monitor’s Recommendation.....	4

Appendix	Tab
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Amended Plan .....	A
Amended Plan Blackline .....	B

## 1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Monitor’s third report to the Court dated March 11, 2025 (the “**Third Report**”).
2. Unless otherwise stated, capitalized terms in this Supplemental Report and not otherwise defined herein have the meanings given to them in the Third Report.

### 1.1 Purposes of this Supplemental Report

1. The purposes of this Supplemental Report are to discuss:
  - a) the amended terms of the Applicants’ Plan (the “**Amended Plan**”);
  - b) the amended terms of the Applicants’ Amended Plan Funding Loan Agreement;  
and
  - c) the Monitor’s views on the Amended Plan.

### 1.2 Scope and Terms of Reference

1. This Supplemental Report is subject to the restrictions in Section 1.2 of the Third Report.

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Supplemental Report are in Canadian dollars.

### 1.4 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at [www.ksvadvisory.com/experience/case/420](http://www.ksvadvisory.com/experience/case/420) (the “**Case Website**”).

## 2.0 Plan Amendments

1. The Third Report details the Applicants’ original Plan. The Applicants’ have amended certain terms in the Plan since the Third Report, a summary of the key amendments is below. A copy of the Amended Plan and a blackline documenting the changes to the original Plan is attached hereto as **Appendix “A” and “B”**, respectively.

2. This Supplemental Report provides a summary of the key amendments made to the original Plan and does not address each and every provision of the Amended Plan. Accordingly, creditors should carefully read the Amended Plan in its entirety and should consult such advisors as they consider necessary. In particular, creditors should review whether or not they are affected under the Amended Plan. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Supplemental Report and the Amended Plan, the provisions of the Amended Plan, as applicable, govern.

## 2.1 Terms and Conditions of the Amended Plan

1. The following section provides an overview of the key amended aspects of the Amended Plan.
  - a) **Classification of Creditors:** The definition of the Unsecured Creditors Class has been revised to include the unsecured creditors of all of the Applicants.
  - b) **Parent Share Compensation and Litigation Proceeds Election:** The Amended Plan has been updated to include the mechanics of the Parent Share Compensation and the Litigation Proceeds Election (collectively the “**Election Consideration**”). Pursuant to the Amended Plan, each Affected Creditor shall complete an Election Form (attached as Schedule “B” to the Amended Plan) indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025. Any Affected Creditor who does not provide a fully documented Election Form by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.
  - c) **Distribution to Creditors:**
    - i. **Affected Creditors Other than Convenience Class Creditors:** the Plan has been amended to clarify that on the Implementation Date, each Affected Creditor with Accepted Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Accepted Claim, a Cash Payment on the Implementation Date, and the remaining balance of their Affected Claim shall be paid pursuant to the Affected Creditor’s election of either the Parent Share Compensation or the Litigation Proceeds;

- ii. **Parent Share Compensation:** an Affected Creditor may elect to receive Parent Shares equating to the full value of an Affected Creditor's Claim, less any amounts received through participation in the Creditor Cash Pool. The Monitor understands the Amended Plan contemplates a valuation of the common shares of 420 Investments to be valued at \$0.30 per share. The Applicants arrived at this valuation based on a multiple of the Applicants' EBITDA, which was established from the offers received during the Applicants' SISP. The Monitor expresses no opinion on the appropriateness of the valuation of the shares; and
- iii. **Litigation Proceeds Election:** an Affected Creditor may also elect to receive the Litigation Proceeds, less any amounts received through participation in the Creditor Cash Pool. Each Affected Creditor who elected the Litigation Proceeds Election shall receive a Litigation Proceeds Promissory Note that provides for payment on the day that the Litigation Proceeds become available to the Applicants.
- d) **Estimated Distributions on the Implementation Date:** the Amended Plan reflects a higher distribution for Affected Creditors from of the Creditor Cash Pool, which is now estimated to be \$2.27 million (being approximately 70 cents on the dollar value of remaining Affected Claims, after accounting for the full payment being made for the Stoke Claim and Convenience Class Creditors). The table below has been amended to reflect the adjustments made to the Creditor Cash Pool:

Description	Amount (\$000s)
Funds Available for Distribution (estimated)	2,270
Stoke Claim <sup>1</sup>	(410)
Convenience Claims Creditor payout (estimated)	(16)
<b>Estimated Distribution</b>	<b>1,843</b>
Total Affected Claims (excluding Convenience Class Creditors) <sup>2</sup>	2,639
<b>Estimated Return Payable in Cash</b>	<b>70%</b>

<sup>1</sup> Includes an estimate of interest incurred through to the Plan Implementation Date.

<sup>2</sup> Total Affected Claims is calculated as the total of \$848,575 in unsecured trade creditor claims; [+] \$384,518 in unsecured shareholder loans; [+] \$1,422,361 in Landlord Claims; [-] approximately \$16,000 in Convenience Class Creditors.

Based on the foregoing calculations, for each \$1.00 of Proven Claim, an Affected Creditor will receive approximately \$0.70, with the remaining \$0.30 compensated through the Election Consideration.

2. The Monitor has also reviewed Section 9.6 of the Amended Plan related to Reviewable Transactions and believes it is in reasonable in the circumstances and is unaware of any transactions that these provisions would apply to.

### **3.0 Amended Plan Funding**

1. As described in the Third Report, the Applicants entered into the Amended Plan Funding Loan Agreement for the purposes of funding the Plan. The Creditor Cash Pool offered under the Amended Plan necessitates the Applicants' having access to more funding than was offered under the original Amended Plan Funding Loan Agreement. Accordingly, on April 7, 2025, the Applicants entered into a revised funding agreement which amended the Amended Plan Funding Loan Agreement for the following terms:
  - a) Availability: The modified Amended Plan Funding Loan Agreement now provides for an advance of up to \$2,750,000; and
  - b) Commitment Fee: The Commitment Fee has been increased to a sum of \$250,000.

### **4.0 Conclusion and Monitor's Recommendation**

1. Based on the foregoing, the Monitor continues to recommend the Affected Creditors vote in favour of the Amended Plan as it is anticipated to provide for an even greater recovery than that which would be realized in the Sale Scenario or in the original Plan.<sup>3</sup>

---

<sup>3</sup> Please refer to section 5 of the Monitor's Third Report for the Monitor's original analysis regarding the Plan,

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
in its capacity as Monitor of the Applicants,  
and not in its personal capacity**

## **Appendix “A”**



Clerk's Stamp:

COURT FILE NUMBER

2401-17986

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS  
(EC1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT

**PLAN OF COMPROMISE OR ARRANGEMENT**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Stikeman Elliott LLP**  
4200 Bankers Hall West  
888 3<sup>rd</sup> St. SW

Calgary, AB T2P 5C5

Attention: Karen Fellowes, KC / Archer Bell

Phone: (403) 724-9469

Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com) /  
[abell@stikeman.com](mailto:abell@stikeman.com)

**PLAN OF COMPROMISE OR ARRANGEMENT  
TABLE OF CONTENTS**

<b>ARTICLE 1 INTERPRETATION.....</b>	<b>1</b>
Section 1.1 Definitions .....	1
Section 1.2 Interpretation Not Affected by Headings, etc.....	8
Section 1.3 General Construction .....	8
Section 1.4 Extended Meanings .....	8
Section 1.5 Currency.....	8
Section 1.6 Statutes .....	8
Section 1.7 Date and Time for any Action .....	9
Section 1.8 Schedules .....	9
<b>ARTICLE 2 PURPOSE AND EFFECT OF PLAN.....</b>	<b>9</b>
Section 2.1 Purpose.....	9
Section 2.2 Persons Affected.....	10
Section 2.3 Persons Not Affected by the Plan.....	10
<b>ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS .....</b>	<b>10</b>
Section 3.1 Claims Procedure.....	10
Section 3.2 Classification of Creditors .....	10
Section 3.3 Meeting.....	10
Section 3.4 Voting .....	10
Section 3.5 Treatment of Affected Claims .....	11
Section 3.6 Treatment of Unaffected Claims .....	11
Section 3.7 Treatment of Intercompany Claims.....	11
Section 3.8 Treatment of D&O Claims.....	12
Section 3.9 Treatment of Tilray Claim.....	12
Section 3.10 Disputed Claims .....	12
Section 3.11 Extinguishment of Claims .....	12
Section 3.12 Guarantees and Similar Covenants.....	12
Section 3.13 Set-Off.....	13
<b>ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE .....</b>	<b>13</b>
Section 4.1 Plan Implementation Fund.....	13
Section 4.2 Administrative Expense Reserve.....	13
<b>ARTICLE 5 DISTRIBUTIONS AND PAYMENTS .....</b>	<b>13</b>
Section 5.1 Distributions Generally.....	13
Section 5.2 Distributions to Convenience Creditors .....	13
Section 5.3 Distributions of Cash and Litigation Proceeds Election.....	13
Section 5.4 Distributions, Payments and Settlements of Unaffected Claims .....	14
Section 5.5 Allocation of Distributions.....	15
Section 5.6 Treatment of Undeliverable Distributions .....	15
Section 5.7 Assignment of Claims for Voting and Distribution Purposes.....	15
Section 5.8 Withholding Rights .....	16
<b>ARTICLE 6 COURT SANCTION.....</b>	<b>16</b>
Section 6.1 Application for Sanction Order.....	16
Section 6.2 Sanction Order .....	16

<b>ARTICLE 7 CONDITIONS PRECEDENT &amp; IMPLEMENTATION .....</b>	<b>18</b>
Section 7.1 Conditions Precedent to Implementation in favour of Applicants .....	18
Section 7.2 Failure to Satisfy Conditions Precedent .....	19
<b>ARTICLE 8 EFFECT OF PLAN; RELEASES.....</b>	<b>19</b>
Section 8.1 Binding Effect of the Plan.....	19
Section 8.2 Released Parties.....	19
Section 8.3 Claims Not Released .....	20
Section 8.4 Consents and Agreements at the Effective Time .....	20
Section 8.5 Waiver of Defaults.....	21
<b>ARTICLE 9 GENERAL.....</b>	<b>21</b>
Section 9.1 Claims Bar Date .....	21
Section 9.2 Deeming Provisions .....	21
Section 9.3 Modification of the Plan.....	21
Section 9.4 Paramountcy .....	22
Section 9.5 Severability of Plan Provisions .....	22
Section 9.6 Reviewable Transactions.....	22
Section 9.7 Responsibilities of the Monitor.....	22
Section 9.8 Different Capacities.....	23
Section 9.9 Notice .....	23
Section 9.10 Further Assurances.....	24

## PLAN OF COMPROMISE OR ARRANGEMENT

### WHEREAS:

- A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 (the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries**"), (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");
- B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.
- C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). The NOI Proceedings were later converted into the CCAA Proceedings.
- D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").
- E. The Applicants are parties to a binding loan agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a pool of cash consideration to be used to compromise and payout the Applicants' unsecured creditors and 420 OpCo's secured creditor in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").
- F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

"**Affected Creditor**" means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

**“Affected Creditor Class”** means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

**“Allowed Affected Claims”** means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Applicable Law”** means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

**“Applicants”** has the meaning set out in the recitals hereto.

**“Applicants’ Conditions Precedent”** has the meaning set out in Article 7 hereto.

**“Articles”** means the articles of incorporation of the Applicants, as applicable.

**“Assessments”** means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

**“BIA”** has the meaning set out in the recitals hereto.

**“Business Day”** means a day on which banks are open for business in Calgary, Alberta but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

**“Bylaws”** means the bylaws of the Applicants, as applicable.

**“Canadian Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

**“Cash Payment”** means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to 70% of such Eligible Voting Creditor’s Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

**“CCAA”** has the meaning set out in the recitals hereto.

**“CCAA Proceedings”** has the meaning set out in the recitals hereto.

**“Charges”** means the Administration Charge, the Directors’ Charge and the KERP Charge.

**“Claim”** means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

**“Claims Bar Date”** has the meaning provided for in the Claims Procedure Order.

**“Claims Procedure Order”** means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

**“Continuing Contract”** means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

**“Convenience Amount”** means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to \$10,000; and (b) the amount of such Allowed Affected Claim.

**“Convenience Claim”** means any Affected Claim that is equal to or less than \$10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to \$10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to \$10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

**“Convenience Creditor”** means an Affected Creditor having a Convenience Claim.

**“Convenience Election”** means an election made by an Affected Creditor with an Allowed Affected Claim greater than \$10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

**“Convenience Election Deadline”** has the meaning ascribed thereto in the Meeting Order.

**“Convenience Election Notice”** means a notice substantially in the form attached to the Meeting Order.

**“Court”** has the meaning set out in the recitals hereto.

**“Creditor”** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

**“Creditor Cash Pool”** means the amount borrowed by the Applicants from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

**“Crown Claims”** means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

**“D&O Claims”** means any or all Pre-Filing D&O Claims and Restructuring Period D&O Claims.

**“D&O Indemnity Claims”** means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

**“Disallowed Claims”** means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Directors”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

**“Directors’ Charge”** has the meaning set out in the Initial Order.

**“Disputed Claim”** means an Affected Claim or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly

disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

**“Effective Time”** means 12:01 a.m. (Calgary time) on the Implementation Date.

**“Election Form”** means the form found at Schedule “B” hereto used by Affected Creditors to elect to receive either the Litigation Proceeds Amount or the Parent Shares Compensation Amount.

**“Eligible Voting Creditors”** means Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

**“Employee”** means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

**“Employee Priority Claims”** means:

- (a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former Employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants’ business during the same period.

**“Employment Agreements”** means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

**“Encumbrance”** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

**“Equity Interest”** has the meaning ascribed thereto in section 2(1) of the CCAA.

**“Filing Date”** means May 29, 2024.

**“Final Judgment”** means a final order, ruling or judgment of the Court, or any other court of competent jurisdiction, in the Tilray Litigation (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**“Final Judgment Amount”** means any amount received by the Applicants from a Final Judgment.

**“Final Order”** means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**“Governmental Entity”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to

exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**"Implementation Date"** means the Business Day on which the Plan becomes effective.

**"Initial Order"** has the meaning set out in the recitals hereto.

**"Intercompany Claim"** means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

**"KERP"** has the meaning set out in the Initial Order.

**"KERP Charge"** has the meaning set out in the Initial Order.

**"KERP Prepayment"** has the meaning set out in Section 5.4(c)(iii) of this Plan.

**"List of Claims"** has the meaning set out in the Meeting Order.

**"Litigation Proceeds"** means a Final Judgment Amount or Settlement Amount in favour of 420 Parent with respect to the Tilray Litigation defined herein.

**"Litigation Proceeds Amount"** means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an Unsecured Creditor through participation in the Creditor Cash Pool.

**"Litigation Proceeds Election"** means an election on the Election Form by an Affected Creditor to receive the Litigation Proceeds Amount.

**"Litigation Proceeds Promissory Note"** means a promissory note in the form found at Schedule "A" to this Plan.

**"Material"** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

**"Meeting"** means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

**"Meeting Date"** means the date on which the Meeting is held in accordance with the Meeting Order.

**"Meeting Order"** means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

**"Monitor"** has the meaning set out in the recitals hereto.

**"Monitor's Website"** means [www.ksvrestructuring.com](http://www.ksvrestructuring.com).

**"Notice to Known Claimants"** means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

**"Officers"** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.



**“Unsecured Creditors”** means the unsecured creditors of all of the Applicants with Allowed Affected Claims.

**“Order”** means any order of the Court made in connection with the CCAA Proceeding.

**“Outside Date”** means June 30, 2025.

**“Parent Shares”** means common shares in 420 Investment Ltd. which are nominally valued at CAD \$0.30 per share, if an Affected Creditor elects to choose the Parent Share Compensation Amount.

**“Parent Share Compensation Amount”** means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

**“Parent Share Election”** means an election on the Election Form by an Affected Creditor to receive the Parent Share Compensation Amount.

**“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental Entity or other entity however designated or constituted.

**“Plan”** means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

**“Plan Implementation Fund”** has the meaning set out in Section 4.1.

**“Post-Filing Claim”** means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

**“Pre-Filing Claim”** means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, 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 any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

**“Pre-Filing D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for

contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Proof of Claim”** means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

**“Released Claims”** has the meaning set out in Section 8.2.

**“Released Parties”** means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current Employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

**“Required Majority”** means a majority in number of Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

**“Restructuring Period Claim”** means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

**“Restructuring Period D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Sanction Order”** means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

**“Secured Claim”** means any or all Claims of a “secured creditor” as defined in section 2(1) of the CCAA.

**“Settlement Amount”** means any amount received by the Applicants from any settlement of the Tilray Litigation.

**“Stoke Claim”** means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

**“Tilray Litigation”** means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King’s Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

**“Tilray Claim”** means the counterclaim in the Tilray Litigation.

**“Unaffected Claims”** means any and all:

- (a) Secured Claims filed against 420 Parent;
- (b) Post-Filing Claims;
- (c) Crown Claims;
- (d) Claims secured by a Charge;
- (e) Employee Priority Claims;
- (f) Intercompany Claims, subject to Section 5.4(e);
- (g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and
- (h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

**“Unaffected Creditor”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

**“Undeliverable Distribution”** has the meaning set out in Section 5.6.

**“Withholding Obligation”** has the meaning set out in Section 5.8.

## **Section 1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

## **Section 1.3 General Construction**

The terms “this Plan”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Plan and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Plan.

## **Section 1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

## **Section 1.5 Currency**

All references in this Plan to dollars, monetary amounts or to \$ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

## **Section 1.6 Statutes**

Except as otherwise provided in this Plan, any reference in this Plan to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

### **Section 1.7 Date and Time for any Action**

For purposes of the Plan:

- (a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall 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.

### **Section 1.8 Schedules**

The following Schedules are incorporated in and form part of this Plan:

- (a) Schedule "A"; and
- (b) Schedule "B".

## **ARTICLE 2 PURPOSE AND EFFECT OF PLAN**

### **Section 2.1 Purpose**

- (a) The purpose of the Plan is to effect the restructuring of the Applicants pursuant to the terms and conditions of this Plan and to:
  - (i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;
  - (ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;
  - (iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Tilray Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

- (b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.
- (c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

## **Section 2.2      Persons Affected**

- (a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.
- (b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

## **Section 2.3      Persons Not Affected by the Plan**

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

## **ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS**

### **Section 3.1      Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

### **Section 3.2      Classification of Creditors**

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the Unsecured Creditors and the Stoke Claim.

### **Section 3.3      Meeting**

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

### **Section 3.4      Voting**

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

- (a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.
- (b) Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.

- (c) Unsecured Creditors. Each Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an Unsecured Creditors shall be:
- (i) the amount shown as owing to such Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or
  - (ii) the amount agreed to between such Unsecured Creditors and the Applicants, and consented to by the Monitor.

### **Section 3.5 Treatment of Affected Claims**

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

- (a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;
- (b) with respect to Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Amount or Parent Share Compensation Amount, with such Litigation Proceeds Amount or Parent Share Compensation Amount equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and
- (c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Creditor Cash Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

### **Section 3.6 Treatment of Unaffected Claims**

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

### **Section 3.7 Treatment of Intercompany Claims**

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a Cash Payment, or be able to exercise any election including the litigation proceeds election or the Parent Share Election.

### **Section 3.8 Treatment of D&O Claims**

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

### **Section 3.9 Treatment of Tilray Claim**

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan. Subject to the terms and conditions of the Plan, from and after the final and binding decision from the Court or the Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants. For certainty:

- (a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Final Judgment, or settlement.

### **Section 3.10 Disputed Claims**

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

### **Section 3.11 Extinguishment of Claims**

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

### **Section 3.12 Guarantees and Similar Covenants**

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the 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 under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

### **Section 3.13 Set-Off**

The law of set-off applies to all Affected Claims.

## **ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE**

### **Section 4.1 Plan Implementation Fund**

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the “**Plan Implementation Fund**”). The Plan Implementation Fund shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

### **Section 4.2 Administrative Expense Reserve**

On or prior to the Implementation Date, the Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any post-Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the “**Administration Expenses**”). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

## **ARTICLE 5 DISTRIBUTIONS AND PAYMENTS**

### **Section 5.1 Distributions Generally**

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

### **Section 5.2 Distributions to Convenience Creditors**

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor’s Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor’s Affected Claim.

### **Section 5.3 Distributions of Cash and Litigation Proceeds Election**

Each Affected Creditor shall complete an Election Form in the form set out in Schedule “B” indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. The Election Form must be returned electronically via email to the Applicants and the Monitor in accordance with



Section 9.9 herein. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025.

Any Affected Creditor that fails to return the Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment and Parent Share Compensation Amount or Litigation Proceeds Amount, as applicable, on the Implementation Date, and such distributions shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who make the Litigation Proceeds Election shall receive a Litigation Proceeds Promissory Note in the form contained in Schedule "A" to this Plan guaranteeing payment of their Litigation Proceeds Amount on the date that Litigation Proceeds become available to the Applicants.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who makes the Parent Share Election shall be entitled to receive their Parent Share Compensation Amount on the Implementation Date.

#### **Section 5.4 Distributions, Payments and Settlements of Unaffected Claims**

(a) Post-Filing Claims;

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund.

(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of \$270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the “**KERP Prepayment**”), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, reinstated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

## **Section 5.5 Allocation of Distributions**

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor’s Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor’s Claim.

## **Section 5.6 Treatment of Undeliverable Distributions**

If any Creditor’s distribution under this Plan is returned as undeliverable or is not cashed (an “**Undeliverable Distribution**”), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor’s current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

## **Section 5.7 Assignment of Claims for Voting and Distribution Purposes**

(a) Assignment of Claims Prior to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

**Section 5.8 Withholding Rights**

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a “**Withholding Obligation**”) as the Applicants or Monitor, as the case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

**ARTICLE 6  
COURT SANCTION**

**Section 6.1 Application for Sanction Order**

If the Required Majority of Affected Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

**Section 6.2 Sanction Order**

The Applicants shall seek a Sanction Order that, among other things:

- (a) declares that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declares that the Applicants were authorized to present the Plan;
- (c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

- (d) declares that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the Effective Time;
- (f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;
- (g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;
  - (ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;
  - (iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or
  - (v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;
- (h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;
- (i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;

- (j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;
- (k) confirms the releases contemplated in Article 8;
- (l) declares that the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and
- (m) such other relief which the Applicants or the Monitor may request.

## ARTICLE 7 CONDITIONS PRECEDENT & IMPLEMENTATION

### Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the “**Applicants’ Conditions Precedent**”) prior to or at the Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

- (a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;
- (b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;
- (c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;
- (d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;
- (e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and
- (f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

## **Section 7.2 Failure to Satisfy Conditions Precedent**

If the Applicants' Conditions Precedent are not satisfied or waived on or before the Outside Date, the applicable party may provide written notice to the other party and the Monitor that such party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 8 EFFECT OF PLAN; RELEASES**

### **Section 8.1 Binding Effect of the Plan**

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) full, final and absolute settlement of all rights of any Affected Creditor; and
- (b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

### **Section 8.2 Released Parties**

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "**Released Claims**").

Except for those claims described in Section 8.3, from and after the Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the Effective Time, with respect to any and all Released Claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or
- (e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the Effective Time shall, forthwith after the Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

### **Section 8.3 Claims Not Released**

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

- (a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;
- (b) a Released Party if,
  - (i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or
  - (ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

### **Section 8.4 Consents and Agreements at the Effective Time**

At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
- (b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Effective Time; and

- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

### **Section 8.5 Waiver of Defaults**

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

## **ARTICLE 9 GENERAL**

### **Section 9.1 Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

### **Section 9.2 Deeming Provisions**

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

### **Section 9.3 Modification of the Plan**

- (a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.
- (b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.



- (c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.
- (d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

#### **Section 9.4 Paramountcy**

From and after the Effective Time, any conflict between:

- (a) the Plan or any Order in the CCAA Proceeding; 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 the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

#### **Section 9.5 Severability of Plan Provisions**

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### **Section 9.6 Reviewable Transactions**

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

#### **Section 9.7 Responsibilities of the Monitor**

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

## **Section 9.8 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, 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 Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

## **Section 9.9 Notice**

- (a) Any notice or other communication under this Plan shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

**Stikeman Elliott LLP**  
 4200 Bankers Hall West  
 888 – 3rd Street SW  
 Calgary, AB T2P 5C5  
 Attention: Karen Fellowes, KC / Archer Bell  
 Email: kfellows@stikeman.com / abell@stikeman.com

If to the Monitor:

**KSV Restructuring Inc.**  
 1165, 324 – 8th Ave SW  
 Calgary, Alberta T2P 2Z2  
 Attention: Andrew Basi / Ross Graham  
 Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

**Bennett Jones LLP**  
 4500, 855 2 Street SW  
 Calgary, AB T2P 4K7  
 Attention: Michael Selnes  
 Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

- (b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (c) Sending a copy of a notice or other communication to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a party.

- (d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

#### **Section 9.10 Further Assurances**

Each of the Persons directly or indirectly named or referred to in, or subject to, this 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 Plan and to give effect to the transactions contemplated herein.

**DATED** as of April 7, 2025.

## Schedule "A"

## PROMISSORY NOTE

**AMOUNT:** CAD \$ \_\_\_\_\_ **DUE:** **ON THE DUE DATE**  
(AS DEFINED BELOW)

The undersigned, 420 Investments Ltd. ("**420 Parent**") hereby promises to pay to the order of \_\_\_\_\_ (the "**Holder**") the sum of CAD \$ \_\_\_\_\_, which amount shall be non-interest bearing (the "**Amount**").

The Amount shall be due and payable on the date that 420 Parent receives payment (the "**Tilray Payment**") from either:

- (a) a final order, ruling or judgment of the Alberta Court of King's Bench, or any other court of competent jurisdiction, in Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc. (the "**Tilray Litigation**") (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable; or

- (b) settlement of the Tilray Litigation

(the "**Due Date**"), provided that:

- (a) any amounts owing by 420 Parent pursuant to any applicable litigation funding agreement (the "**Litigation Expenses**") are paid first; and
- (b) the Tilray Payment is sufficient to pay any Litigation Expenses and the full amounts owing under all Promissory Notes issued by 420 Parent that are contingent on the Tilray Litigation (the "**Litigation Promissory Notes**").

In the event that the Tilray Payment is not sufficient to pay any Litigation Expenses and the full amounts owing under the Litigation Promissory Notes, the Litigation Expenses shall be paid in full and any remaining portion of the Tilray Payment shall be distributed to holders of the Litigation Promissory Notes, including this Promissory Note, on a pro-rata basis. In such event, such pro-rata payment shall be in full and final satisfaction of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

DATED at Calgary, Alberta on \_\_\_\_\_, 2025.

**420 Investments Ltd.**

Per: \_\_\_\_\_  
Scott Morrow  
CEO



**Schedule "B"****ELECTION FORM**

**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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.**

The undersigned, \_\_\_\_\_, hereby elects to receive the:

\_\_\_ **Litigation Proceeds Amount (as defined in the Plan of Arrangement); or**

\_\_\_ **Parent Shares Compensation Amount (as defined in the Plan of Arrangement).**

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before April 18, 2025. This Election Form shall be emailed to the following recipients:

FOUR20's Counsel:

**STIKEMAN ELLIOTT LLP**

Attention: Karen Fellowes, K.C. / Archer Bell  
Email: kfellows@stikeman.com/  
abell@stikeman.com

Monitor:

**KSV RESTRUCTURING INC.**

Attention: Andrew Basi / Ross Graham  
Email: abasi@ksvadvisory.com /  
rgraham@ksvadvisory.com

Monitor's Counsel:

**BENNETT JONES LLP**

Attention: Michael Selnes  
Email: selnesm@bennettjones.com

Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at \_\_\_\_\_ on \_\_\_\_\_, 2025.

**Name of Affected Creditor:**

Per: \_\_\_\_\_

## **Appendix “B”**

Clerk's Stamp:

COURT FILE NUMBER

2401-17986

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS  
(EC1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT

**PLAN OF COMPROMISE OR ARRANGEMENT**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Stikeman Elliott LLP**  
4200 Bankers Hall West  
888 3<sup>rd</sup> St. SW.

Calgary, AB T2P 5C5

Attention: Karen Fellowes, KC / Archer Bell

Phone: (403) 724-9469

Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com) /  
[abell@stikeman.com](mailto:abell@stikeman.com)



# PLAN OF COMPROMISE OR ARRANGEMENT TABLE OF CONTENTS

## Contents

<b>ARTICLE 1 INTERPRETATION</b>	<b>1</b>
Section 1.1 Definitions	1
Section 1.2 Interpretation Not Affected by Headings, etc.	8
Section 1.3 General Construction-	8
Section 1.4 Extended Meanings	8
Section 1.5 Currency	8
Section 1.6 Statutes	8
Section 1.7 Date and Time for any Action	<del>89</del>
Section 1.8 Schedules	<del>89</del>
<b>ARTICLE 2 PURPOSE AND EFFECT OF PLAN</b>	<b>9</b>
Section 2.1 Purpose	9
Section 2.2 Persons Affected	<del>910</del>
Section 2.3 Persons Not Affected by the Plan	10
<b>ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS</b>	<b>10</b>
Section 3.1 Claims Procedure	10
Section 3.2 Classification of Creditors	10
Section 3.3 Meeting	10
Section 3.4 Voting	10
Section 3.5 Treatment of Affected Claims	11
Section 3.6 Treatment of Unaffected Claims	11
Section 3.7 Treatment of Intercompany Claims	11
Section 3.8 Treatment of D&O Claims	<del>4412</del>
Section 3.9 Treatment of Tilray Claim	12
Section 3.10 Disputed Claims	12
Section 3.11 Extinguishment of Claims	12
Section 3.12 Guarantees and Similar Covenants	12
Section 3.13 Set-Off	<del>4213</del>
<b>ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE</b>	<b><del>4213</del></b>
Section 4.1 Plan Implementation Fund	<del>4213</del>
Section 4.2 Administrative Expense Reserve	13
<b>ARTICLE 5 DISTRIBUTIONS AND PAYMENTS</b>	<b>13</b>
Section 5.1 Distributions Generally	13
Section 5.2 Distributions to Convenience Creditors	13
Section 5.3 Distributions of Cash and Litigation Proceeds Election	13
Section 5.4 Distributions, Payments and Settlements of Unaffected Claims	14
Section 5.5 Allocation of Distributions	15
Section 5.6 Treatment of Undeliverable Distributions	15
Section 5.7 Assignment of Claims for Voting and Distribution Purposes	15
Section 5.8 Withholding Rights	<del>4516</del>
<b>ARTICLE 6 COURT SANCTION</b>	<b>16</b>
Section 6.1 Application for Sanction Order	16
Section 6.2 Sanction Order	16
<b>ARTICLE 7 CONDITIONS PRECEDENT &amp; IMPLEMENTATION</b>	<b>18</b>
Section 7.1 Conditions Precedent to Implementation in favour of Applicants	18

Section 7.2	Failure to Satisfy Conditions Precedent	<del>18</del> <u>19</u>
<b>ARTICLE 8 EFFECT OF PLAN; RELEASES</b>		<b>19</b>
Section 8.1	Binding Effect of the Plan	19
Section 8.2	Released Parties	19
Section 8.3	Claims Not Released	20
Section 8.4	Consents and Agreements at the <del>Restructuring</del> Effective Time	20
Section 8.5	Waiver of Defaults	<del>20</del> <u>21</u>
<b>ARTICLE 9 GENERAL</b>		<b>21</b>
Section 9.1	Claims Bar Date	21
Section 9.2	Deeming Provisions	21
Section 9.3	Modification of the Plan	21
Section 9.4	Paramountcy	<del>21</del> <u>22</u>
Section 9.5	Severability of Plan Provisions	22
Section 9.6	Reviewable Transactions	22
Section 9.7	Responsibilities of the Monitor	22
Section 9.8	Different Capacities	<del>22</del> <u>23</u>
Section 9.9	Notice	<del>22</del> <u>23</u>
Section 9.10	Further Assurances	24

## PLAN OF COMPROMISE OR ARRANGEMENT

### WHEREAS:

- A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 ( the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries**"), (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");
- B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario.- 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.
- C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "BIA") (the "**NOI Proceedings**").- The NOI ~~proceedings~~ Proceedings were later converted into the CCAA Proceedings.
- D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").
- E. The Applicants are parties to a binding ~~Loan Agreement~~ loan agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a- pool of cash consideration to be used to compromise and payout the Applicants' unsecured creditors ~~of and~~ 420 ~~OpCo and Green Rock~~ OpCo's secured creditor in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").
- F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

**“Affected Creditor”** means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

**“Affected Creditor Class”** means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

**“Allowed Affected Claims”** means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Applicable Law”** means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

**“Applicants”** has the meaning set out in the recitals hereto.

**“Applicants’ Conditions Precedent”** has the meaning set out in Article 7 hereto.

**“Articles”** means the articles of incorporation of the Applicants, as applicable.

**“Assessments”** means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

**“BIA”** ~~means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.~~ has the meaning set out in the recitals hereto.

**“Business Day”** means a day on which banks are open for business in Calgary, Alberta but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

**“Bylaws”** means the bylaws of the Applicants, as applicable.

**“Canadian Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

**“Cash Payment”** means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to ~~55~~70% of such Eligible Voting Creditor’s Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

**“CCAA”** has the meaning set out in the recitals hereto.

**“CCAA Proceedings”** has the meaning set out in the recitals hereto.

**“Charges”** means the Administration Charge, the Directors’ Charge and the KERP Charge.

**“Claim”** means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

**“Claims Bar Date”** has the meaning provided for in the Claims Procedure Order.

**"Claims Procedure Order"** means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

**"Continuing Contract"** means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

**"Convenience Amount"** means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to \$10,000; and (b) the amount of such Allowed Affected Claim.

**"Convenience Claim"** means any Affected Claim that is equal to or less than \$10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to \$10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to \$10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

**"Convenience Creditor"** means an Affected Creditor having a Convenience Claim.

**"Convenience Election"** means an election made by an Affected Creditor with an Allowed Affected Claim greater than \$10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

**"Convenience Election Deadline"** has the meaning ascribed thereto in the Meeting Order.

**"Convenience Election Notice"** means a notice substantially in the form attached to the Meeting Order.

~~**"Contingent Claims"** means any claim which the Monitor has marked as Contingent for the purpose of voting in the Plan.~~

**"Court"** has the meaning set out in the recitals hereto.

**"Creditor"** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

**"Creditor Cash Pool"** means the amount borrowed by the ~~Companies~~Applicants from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

**"Crown Claims"** means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

**"D&O Claims"** means any or all Pre-Filing D&O Claims and Restructuring Period D&O ~~Claims~~Claims.

**"D&O Indemnity Claims"** means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

**“Disallowed Claims”** means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

**“Directors”** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

**“Directors’ Charge”** has the meaning set out in the Initial Order.

**“Disputed Claim”** means an Affected Claim ~~(including a Contingent Affected Claim that may crystallize upon the occurrence of an event or events occurring after the Filing Date)~~ or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

**“Effective Time”** means 12:01 a.m. (Calgary time) on the Implementation Date.

**“Election Form”** means the form found at Schedule “B” hereto used by Affected Creditors to elect to receive either the Litigation Proceeds Amount or the Parent Shares Compensation Amount.

**“Eligible Voting Creditors”** means ~~OpCo~~-Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

**“Employee”** means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

**“Employee Priority Claims”** means:

- (a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former ~~employees~~ Employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants’ business during the same period.

**“Employment Agreements”** means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

**“Encumbrance”** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

~~**“Equity Claims”** means any or all Claims that meet the definition of “equity claim” in section 2(1) of the CCAA.~~

~~**“Equity Claimant”** means any Person with an Equity Claim or holding Existing Equity, in such capacity.~~

**“Equity Interest”** has the meaning ascribed thereto in section 2(1) of the CCAA.

**"Filing Date"** means ~~June 27~~ May 29, 2024.

**"Final Judgment"** means a final order, ruling or judgment of the Court, or any other court of competent jurisdiction, in the Tilray Litigation (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**"Final Judgment Amount"** means any amount received by the Applicants from a Final Judgment.

**"Final Order"** means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

**"Governmental Entity"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**"Implementation Date"** means the Business Day on which the Plan becomes effective.

**"Initial Order"** has the meaning set out in the recitals hereto.

**"Intercompany Claim"** means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

**"KERP"** has the meaning set out in the Initial Order.

**"KERP Charge"** has the meaning set out in the Initial Order.

**"KERP Prepayment"** has the meaning set out in Section 5.4(c)(iii) of this Plan.

**"List of Claims"** has the meaning set out in the Meeting Order.

**"Litigation Proceeds"** means a Final Judgment ~~amount or settlement amount~~ Amount or Settlement Amount in favour of 420 Parent with respect to the Tilray Litigation defined herein.

**"Litigation Proceeds ~~Payment~~ Amount"** means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an ~~OpCo~~ Unsecured Creditor through participation in the Creditor Cash Pool.

**"Litigation Proceeds ~~Payment Process~~"** ~~means the process by which an OpCo Unsecured Creditor will~~ Election means an election on the Election Form by an Affected Creditor to receive the Litigation Proceeds ~~Payment upon their election to choose the Litigation Proceeds Payment;~~ Amount.

**"Litigation Proceeds Promissory Note"** means a promissory note in the form found at Schedule "A" to this Plan.

**"Material"** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

**"Meeting"** means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

**"Meeting Date"** means the date on which the Meeting is held in accordance with the Meeting Order.

**"Meeting Order"** means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

**"Monitor"** has the meaning set out in the recitals hereto.

**"Monitor's Website"** means [www.ksvrestructuring.com](http://www.ksvrestructuring.com).

**"Notice to Known Claimants"** means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

**"Officers"** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

**"OpCo Unsecured Creditors"** means [the](#) unsecured creditors of ~~420 OpCo and Green Rock~~ [all of the Applicants with Allowed Affected Claims](#).

**"Order"** means any order of the Court made in connection with the CCAA Proceeding.

**"Outside Date"** means [June 30, 2025](#).

**"Parent Shares"** means common shares in 420 Investment Ltd. [which are nominally valued at CAD \\$0.30 per share](#), if an Affected Creditor elects to choose the Parent Share Compensation Amount.

**"Parent Share Compensation Amount"** means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

~~"Parent Share Compensation Amount Process" means the process by which OpCo Unsecured Creditors are issued Parent Shares, upon their election to choose~~ **"Election"** means [an election on the Election Form by an Affected Creditor to receive](#) the Parent Share Compensation Amount;

**"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental ~~Authority~~ [Entity](#) or other entity however designated or constituted.

**"Plan"** means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

**"Plan Implementation Fund"** has the meaning set out in Section 4.1.

**"Post-Filing Claim"** means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.



**“Pre-Filing Claim”** means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, 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 any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

**“Pre-Filing D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

**“Proof of Claim”** means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

**“Released Claims”** has the meaning set out in Section 8.2.

**“Released Parties”** means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current ~~employees~~Employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

**“Required Majority”** means a majority in number of ~~OpCo~~ Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

**“Restructuring Period Claim”** means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

**“Restructuring Period D&O Claim”** means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or

otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

~~“Implementation Date” means the Business Day on which the Plan becomes effective.~~

“**Sanction Order**” means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

“**Secured Claim**” means any or all Claims of a “secured creditor” as defined in section 2(1) of the CCAA.

“**Settlement Amount**” means any amount received by the Applicants from any settlement of the Tilray Litigation.

“**Stoke Claim**” means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

“**Tilray Litigation**” means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King’s Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

“**Tilray Claim**” means the counterclaim in the Tilray Litigation.

“**Unaffected Claims**” means any and all:

- (a) Secured Claims filed against 420 Parent;
- (b) Post-Filing Claims;
- (c) Crown Claims;
- (d) Claims secured by a Charge;
- (e) Employee Priority Claims;
- (f) Intercompany Claims, subject to Section 5.4(e);
- (g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and
- (h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

“**Unaffected Creditor**” means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

“**Undeliverable Distribution**” has the meaning set out in Section 5.6.

“**Withholding Obligation**” has the meaning set out in Section 5.8.

## **Section 1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

## **Section 1.3 General Construction-**

The terms “this Plan”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Plan and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Plan.

## **Section 1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

## **Section 1.5 Currency**

All references in this Plan to dollars, monetary amounts or to \$ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

## **Section 1.6 Statutes**

Except as otherwise provided in this Plan, any reference in this Plan to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

## **Section 1.7 Date and Time for any Action**

For purposes of the Plan:

- (a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall 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.

## **Section 1.8 Schedules**

The following Schedules are incorporated in and form part of this Plan:

- (a) ~~Litigation Proceeds Payment Process~~ Schedule;<sup>4</sup> “A”; and

<sup>4</sup> ~~The Litigation Proceeds Payment Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.~~

- (b) ~~Parent Share Compensation Amount Process~~ Schedule<sup>2</sup> "B".

## ARTICLE 2 PURPOSE AND EFFECT OF PLAN

### Section 2.1 Purpose

- (a) The purpose of the Plan is to effect the ~~Restructuring~~ restructuring of the Applicants pursuant to the terms and conditions of this Plan and to:
- (i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;
  - (ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;
  - (iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Tilray Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

- (b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.
- (c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

### Section 2.2 Persons Affected

- (a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.
- (b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

### Section 2.3 Persons Not Affected by the Plan

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with

<sup>2</sup> ~~The Parent Share Compensation Amount Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.~~

respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS

#### Section 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

#### Section 3.2 Classification of Creditors

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the ~~OpCo~~-Unsecured Creditors and the Stoke Claim.

#### Section 3.3 Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

#### Section 3.4 Voting

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

- (a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.
- (b) Stoke Claim. - The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.
- (c) ~~OpCo~~-Unsecured Creditors. Each ~~OpCo~~-Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an ~~OpCo~~-Unsecured Creditors shall be:
  - (i) the amount shown as owing to such ~~OpCo~~-Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or
  - (ii) the amount agreed to between such ~~OpCo~~-Unsecured Creditors and the Applicants, and consented to by the Monitor.

### Section 3.5 Treatment of Affected Claims

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

- (a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;
- (b) with respect to ~~OpCo~~ Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds ~~Payment at a later date as more fully described under the Litigation Proceeds Election Process, Amount~~ or Parent Share ~~Conversion Payment as more fully described in the Parent Share Conversion Election Process~~ Compensation Amount, with such Litigation Proceeds ~~Payment Amount~~ or Parent Share ~~Conversion Payment~~ Compensation Amount equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and
- (c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Creditor Cash ~~Collateral~~ Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

### Section 3.6 Treatment of Unaffected Claims

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

### Section 3.7 Treatment of Intercompany Claims

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a ~~cash payment~~ Cash Payment, or be able to exercise any election including the litigation proceeds election or the Parent ~~Co~~-Share Election.

### Section 3.8 Treatment of D&O Claims

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

### Section 3.9 Treatment of Tilray Claim

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan.- Subject to the terms and conditions of the Plan, from and after the final and binding decision from the ~~Alberta Court of King's Bench~~ or the Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants.- For certainty:

- (a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Final Judgment, or ~~Settlement~~settlement.

### Section 3.10 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

### Section 3.11 Extinguishment of Claims

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

### Section 3.12 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the 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 under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

### Section 3.13 Set-Off

The law of set-off applies to all Affected Claims.

## ARTICLE 4 PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE

### Section 4.1 Plan Implementation Fund

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund



shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

## **Section 4.2 Administrative Expense Reserve**

On or prior to the Implementation Date, the ~~Applicants~~Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any ~~post-Implementation~~post-Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the “**Administration Expenses**”). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

## **ARTICLE 5 DISTRIBUTIONS AND PAYMENTS**

### **Section 5.1 Distributions Generally**

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

### **Section 5.2 Distributions to Convenience Creditors**

If the Plan is approved by the Required Majority of the ~~OpCo~~-Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

### **Section 5.3 Distributions of Cash and Litigation Proceeds Election**

Each Affected Creditor shall complete an Election Form in the form set out in Schedule “B” indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. The Election Form must be returned electronically via email to the Applicants and the Monitor in accordance with Section 9.9 herein. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025.

Any Affected Creditor that fails to return the Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment and Parent Share Compensation Amount or Litigation Proceeds Amount, as applicable, on the Implementation Date, and such distributions, ~~in combination with remuneration received pursuant to either the Parent Share Compensation Amount Process or the Litigation Proceeds Payment Process, as is~~



~~applicable~~, shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the ~~OpCo~~ Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who ~~elects to participate in~~ make the Litigation Proceeds ~~Payment Process, shall be entitled to receive~~ Election shall receive a Litigation Proceeds Promissory Note in the form contained in Schedule "A" to this Plan guaranteeing payment of their Litigation Proceeds ~~Payment by way of the~~ Amount on the date that Litigation Proceeds ~~Payment Process, as set out in accordance with a Schedule to this Plan~~ become available to the Applicants.

If the Plan is approved by the Required Majority of the ~~OpCo~~ Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who ~~elects to participate in~~ makes the Parent Share ~~Compensation Amount Process,~~ Election shall be entitled to receive their Parent ~~Co. Shares by way of the Parent Shares Process, as set out in accordance with a Schedule to this Plan~~ Share Compensation Amount on the Implementation Date.

#### **Section 5.4 Distributions, Payments and Settlements of Unaffected Claims**

(a) Post-Filing Claims;

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the ~~Applicant Entities~~ Applicants and the Plan Implementation Fund.

(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of \$270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The

Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

## **Section 5.5 Allocation of Distributions**

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

## **Section 5.6 Treatment of Undeliverable Distributions**

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

## **Section 5.7 Assignment of Claims for Voting and Distribution Purposes**

(a) Assignment of Claims Prior to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

## **Section 5.8 Withholding Rights**

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

## **ARTICLE 6 COURT SANCTION**

### **Section 6.1 Application for Sanction Order**

If the Required Majority of ~~OpCo-Unsecured~~Affected Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

### **Section 6.2 Sanction Order**

The Applicants shall seek a Sanction Order that, among other things:

- (a) declares that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declares that the Applicants were authorized to present the Plan;
- (c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or

purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

- (d) declares that as of the ~~Restructuring~~-Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the ~~Restructuring~~-Effective Time;
- (f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;
- (g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;
  - (ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;
  - (iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or
  - (v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;

- (h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the

Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;

- (i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;
- (j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;
- (k) confirms the releases contemplated in Article 8;
- (l) declares that ~~the~~ the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and
- (m) such other relief which ~~the~~ the Applicants or the Monitor may request.

## ARTICLE 7 CONDITIONS PRECEDENT & IMPLEMENTATION

### Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the “**Applicants’ Conditions Precedent**”) prior to or at the ~~Restructuring~~ Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

- (a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;
- (b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;
- (c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;
- (d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;
- (e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and
- (f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired

or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

## **Section 7.2 Failure to Satisfy Conditions Precedent**

If the Applicants' Conditions Precedent are not satisfied or waived on or before the Outside Date, the applicable Party may provide written notice to the other Party and the Monitor that such Party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each Party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 8 EFFECT OF PLAN; RELEASES**

### **Section 8.1 Binding Effect of the Plan**

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the ~~Restructuring~~-Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) full, final and absolute settlement of all rights of any Affected Creditor; and
- (b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

### **Section 8.2 Released Parties**

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the ~~Restructuring~~-Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the ~~Restructuring~~-Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "Released Claims").

Except for those claims described in Section 8.3, from and after the ~~Restructuring~~-Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the ~~Restructuring~~-Effective Time, with respect to any and all Released Claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any ~~Lien or~~ Encumbrance of any kind against the Released Parties or their property; or
- (e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the ~~Restructuring~~-Effective Time shall, forthwith after the ~~Restructuring~~-Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

### **Section 8.3 Claims Not Released**

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

- (a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;
- (b) a Released Party if,
  - (i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or
  - (ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.



#### **Section 8.4 Consents and Agreements at the ~~Restructuring~~ Effective Time**

At the ~~Restructuring~~ Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
- (b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the ~~Restructuring~~ Effective Time; and
- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the ~~Restructuring~~ Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

#### **Section 8.5 Waiver of Defaults**

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

### **ARTICLE 9 GENERAL**

#### **Section 9.1 Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

#### **Section 9.2 Deeming Provisions**

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

#### **Section 9.3 Modification of the Plan**

- (a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For



certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.

- (b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.
- (c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.
- (d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

#### **Section 9.4 Paramourncy**

From and after the ~~Restructuring~~-Effective Time, any conflict between:

- (a) the Plan or any Order in the CCAA Proceeding; 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 the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

#### **Section 9.5 Severability of Plan Provisions**

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

## Section 9.6 Reviewable Transactions

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

## Section 9.7 Responsibilities of the Monitor

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

## Section 9.8 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, 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 Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

## Section 9.9 Notice

- (a) Any notice or other communication under this ~~Agreement~~Plan shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

**Stikeman Elliott LLP**

4200 Bankers Hall West

888 – 3rd Street SW

Calgary, AB T2P ~~5C5~~5C5 ~~Calgary, AB T2P 0B4~~5C5

Attention: Karen Fellowes, ~~K.C.~~KC / Archer Bell

Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

**KSV Restructuring Inc.**

1165, 324 – 8th Ave SW

Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham

Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

**Bennett Jones LLP**

4500, 855 2 Street SW

Calgary, AB T2P 4K7

Attention: Michael Selnes

Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

- (b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (c) Sending a copy of a notice or other communication to a ~~Party's~~party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that ~~Party~~party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a ~~Party~~party.
- (d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

#### **Section 9.10 Further Assurances**

Each of the Persons directly or indirectly named or referred to in, or subject to, this 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 Plan and to give effect to the transactions contemplated herein.

**DATED** as of ~~the March 4~~April 7, 2025.

Schedule "A"PROMISSORY NOTE

AMOUNT:      CAD \$ \_\_\_\_\_ DUE:      ON THE DUE DATE  
(AS DEFINED BELOW)

The undersigned, 420 Investments Ltd. ("**420 Parent**") hereby promises to pay to the order of \_\_\_\_\_ (the "**Holder**") the sum of CAD \$ \_\_\_\_\_, which amount shall be non-interest bearing (the "**Amount**").

The Amount shall be due and payable on the date that 420 Parent receives payment (the "**Tilray Payment**") from either:

- (a) a final order, ruling or judgment of the Alberta Court of King's Bench, or any other court of competent jurisdiction, in Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc. (the "**Tilray Litigation**") (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable; or
- (b) settlement of the Tilray Litigation

(the "**Due Date**"), provided that:

- (a) any amounts owing by 420 Parent pursuant to any applicable litigation funding agreement (the "**Litigation Expenses**") are paid first; and
- (b) the Tilray Payment is sufficient to pay any Litigation Expenses and the full amounts owing under all Promissory Notes issued by 420 Parent that are contingent on the Tilray Litigation (the "**Litigation Promissory Notes**").

In the event that the Tilray Payment is not sufficient to pay any Litigation Expenses and the full amounts owing under the Litigation Promissory Notes, the Litigation Expenses shall be paid in full and any remaining portion of the Tilray Payment shall be distributed to holders of the Litigation Promissory Notes, including this Promissory Note, on a pro-rata basis. In such event, such pro-rata payment shall be in full and final satisfaction of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

DATED at Calgary, Alberta on \_\_\_\_\_, 2025.

420 Investments Ltd.

Per:

Scott Morrow  
CEO



Schedule "B"ELECTION FORMIN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amendedAND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS  
LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420  
DISPENSARIES LTD.

The undersigned, \_\_\_\_\_, hereby elects to receive the:

\_\_\_\_\_ Litigation Proceeds Amount (as defined in the Plan of Arrangement); or

\_\_\_\_\_ Parent Shares Compensation Amount (as defined in the Plan of Arrangement).

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before April 18, 2025. This Election Form shall be emailed to the following recipients:

FOUR20's Counsel:

STIKEMAN ELLIOTT LLP

Attention: Karen Fellowes, K.C. / Archer Bell  
Email: kfellows@stikeman.com/  
abell@stikeman.com

Monitor:

KSV RESTRUCTURING INC.

Attention: Andrew Basi / Ross Graham  
Email: abasi@ksvadvisory.com /  
rgraham@ksvadvisory.com

Monitor's Counsel:

BENNETT JONES LLP

Attention: Michael Selnes  
Email: selnesm@bennettjones.com

Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at \_\_\_\_\_ on \_\_\_\_\_, 2025.

Name of Affected Creditor:

Per: \_\_\_\_\_



**EXHIBIT 1**

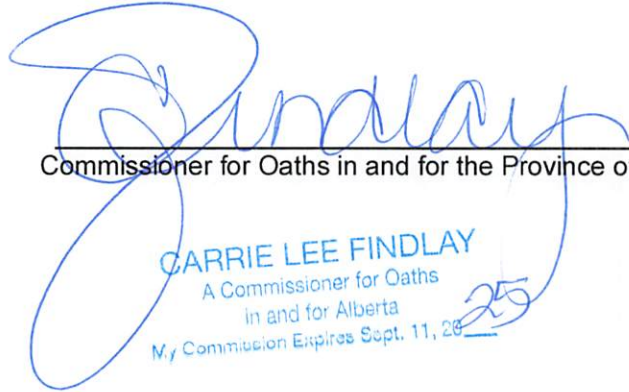
**CONFIDENTIAL DOCUMENT**

Affidavit of Scott Morrow, sworn May 16, 2025

This document contains information designated **CONFIDENTIAL INFORMATION** and will be  
filed in the Court under seal



This is Confidential Exhibit "1" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of Beaumont, in the Province of Alberta,  
on this 26<sup>th</sup> day of May, 2025

  
\_\_\_\_\_  
Commissioner for Oaths in and for the Province of Alberta

CARRIE LEE FINDLAY  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Sept. 11, 2025