



Court File No. CV-24-00726584-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) THURSDAY, THE 28<sup>TH</sup> DAY  
)  
JUSTICE W.D. BLACK ) OF NOVEMBER, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2675970 ONTARIO INC., 2733181  
ONTARIO INC., 2385816 ALBERTA LTD., 2161907 ALBERTA  
LTD., 2733182 ONTARIO INC., 2737503 ONTARIO INC.,  
2826475 ONTARIO INC., 14284585 CANADA INC., 2197130  
ALBERTA LTD., 2699078 ONTARIO INC., 2708540 ONTARIO  
CORPORATION, 2734082 ONTARIO INC., TS WELLINGTON  
INC., 2742591 ONTARIO INC., 2796279 ONTARIO INC.,  
10006215 MANITOBA LTD., AND 80694 NEWFOUNDLAND &  
LABRADOR INC. (individually, an "**Applicant**" and collectively,  
the "**Applicants**")

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the Amended and Restated Subscription Agreement (the "**Subscription Agreement**") between 2675970 Ontario Inc. ("**267 Ontario**"), as issuer, and TS Investments Corp. as purchaser (the "**Purchaser**") dated November 26, 2024, a copy of which is appended as Exhibit "A" to the supplemental affidavit of Andrew Williams sworn November 26, 2024 (the "**Williams Affidavit**"), and approving the transactions contemplated by the Subscription Agreement (the "**Transactions**"); (ii) adding 1001065113 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings; (iii) transferring and vesting all of the Applicants' right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo; (iv) authorizing and directing 267 Ontario to file the Articles of Reorganization (as defined herein) (if determined necessary by the Purchaser); (v) terminating and cancelling all

Existing Shares in Amalco 2 (as defined herein) for no consideration; (vi) authorizing and directing Amalco 2 to issue the Purchased Shares; (vii) vesting all of the right, title and interest in and to the Purchased Shares in the Purchaser; (viii) approving the Reorganization Steps (as defined herein) and (viii) on closing of the Transactions and the delivery of a certificate of the Monitor confirming closing, the termination of this CCAA proceeding and the discharge of Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor of the Applicants (in such capacity, the “**Monitor**”), was heard this day by judicial videoconference.

**ON READING** the Motion Record of the Applicants, including the Williams Affidavit and the Exhibits thereto, and the third report of the Monitor dated November 26, 2024 (the “**Third Report**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel to Bank of Montreal, the Applicants’ senior secured lender, counsel for the Purchaser and such other counsel as were present, no one appearing for any other person although duly served as appears from the affidavit of service of Levi Rivers sworn November 25, 2024, as filed,

#### **SERVICE**

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

#### **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Subscription Agreement or, if not defined therein, the Order of Justice Cavanagh dated August 28, 2024, as amended and restated from time to time (the “**ARIO**”).

#### **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions be and are hereby approved, and the execution of the Subscription Agreement by 267 Ontario is hereby authorized and approved, with such minor amendments as 267 Ontario and the Purchaser may deem necessary or otherwise agree to with the approval of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Subscription Agreement and to take such additional steps and execute such additional

documents as may be necessary or desirable for the completion of the Transactions, including without limitation, the redemption and cancellation of all Existing Shares in 267 Ontario for no consideration, the filing of the Articles of Reorganization (as defined herein) if determined necessary by the Purchaser, and the issuance of the Purchased Shares to the Purchaser.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transactions, and that no shareholder, board of director, or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that, upon the delivery of a certificate of the Monitor substantially in the form attached as **Schedule “A”** hereto (the “**Monitor’s Closing Certificate**”) to the Purchaser and 267 Ontario (the “**Closing Time**”), the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence (the “**Reorganization Steps**”):

- (a) first, all of the Applicants’ right, title and interest in and to the Excluded Assets and Excluded Liabilities shall vest absolutely and exclusively in, ResidualCo, with all applicable debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the Court in the CCAA proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on **Schedule “B”** hereto with respect to the Subscription Agreement) continuing to attach to the Excluded Assets and to the Purchase

Price in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer. The Excluded Assets and Excluded Liabilities shall become obligations and assets of ResidualCo and shall no longer be obligations or assets of the Applicants and all of the Applicants' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Applicants (the "**Applicants' Property**"), shall be and are hereby forever released and discharged from such Excluded Assets and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Applicants' Property are to be expunged and discharged as against the Applicants' Property;

- (b) second, 2197130 Alberta Ltd. shall file Articles of Continuance to continue the corporation as an Ontario incorporated company ("**New Ontario Co**");
- (c) third, 267 Ontario shall transfer all of the issued and outstanding shares held by it in 2826475 Ontario Inc. to 2733182 Ontario Inc. in exchange for 100 common shares of 2733182 Ontario Inc. such that 2826475 Ontario Inc. shall become a wholly owned subsidiary of 2733182 Ontario Inc.;
- (d) fourth, 14284585 Canada Inc. shall transfer all of the issued and outstanding shares held by it in each of 10006215 Manitoba Ltd. and 80694 Newfoundland & Labrador Inc. to 267 Ontario such that 10006215 Manitoba Ltd and 80694 Newfoundland & Labrador Inc. shall become wholly owned subsidiaries of 267 Ontario;
- (e) fifth, 2733182 Ontario Inc. and its wholly owned subsidiaries - 2826475 Ontario Inc., New Ontario Co (formerly, 2197130 Alberta Ltd.), 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., and 2796279 Ontario Inc. - shall amalgamate to form one entity ("**Amalco 1**") and the constating documents of Amalco 1, including without limitation, the Articles of Amalgamation and by-laws of Amalco 1 shall remain in effect after the date hereof;
- (f) sixth, 2161907 Alberta Ltd. shall have filed Articles of Continuance to continue the corporation as an Ontario incorporated company ("**New Ontario Co 2**");

- (g) seventh, 267 Ontario and its wholly owned subsidiary – New Ontario Co 2 (formerly, 2161907 Alberta Ltd.) – will amalgamate to form one entity (“**Amalco 2**”);
- (h) eighth, in consideration for the Purchase Price, Amalco 2 shall issue the Purchased Shares to the Purchaser, and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of any and all Claims and Encumbrances;
- (i) ninth, the Articles of Reorganization in respect of Amalco 2 (the “**Articles of Reorganization**”) shall be filed or deemed to be filed if determined necessary by the Purchaser. If no Articles of Reorganization is filed, then constating documents of Amalco 2, including without limitation, the Articles of Amalgamation and by-laws of Amalco 2 shall remain in effect after the date hereof;
- (j) tenth, all of the Existing Shares of Amalco 2 outstanding prior to the issuance of the Purchased Shares, as well as all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) which are convertible or exchangeable for any securities of Amalco 2 or which require the issuance, sale or transfer by Amalco 2, of any shares or other securities of the Applicants and/or the share capital of Amalco 2, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only equity interests in Amalco 2 that shall remain issued and outstanding after the date hereof shall be the Purchased Shares; and
- (k) eleventh, the Applicants, for certainty, including any of their successors, including without limitation Amalco 1 and Amalco 2, shall be deemed to cease being Applicants in these CCAA proceedings and the Applicants shall be deemed to be released from the purview of the ARIO and all other orders of this Court granted in respect of these CCAA proceedings, save and except for this Order, the provisions of which shall continue to apply in all respects.

6. **THIS COURT AUTHORIZES AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Closing Certificate forthwith after the Closing Time.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from Amalco 2 and the Purchaser and their counsel regarding the satisfaction or waiver of the conditions to closing under the Subscription Agreement and shall have no liability with respect to the delivery and filing of the Monitor's Closing Certificate.

8. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicants or the Applicants' Property, business or operations (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Closing Certificate and a copy of this Order as though they were originals and to enter into records, make, amend or discharge such registrations and transfers of interests as the Purchaser, the Applicants, ResidualCo or the Monitor may require to give effect to the terms of this Order and the Subscription Agreement. Presentment of a copy of this Order and a copy of the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to enter into records, make, amend or discharge registrations and transfers of interests as required by this paragraph, including, without limitation, to effect the discharge of the Claims and Encumbrances as against the Applicants.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Closing Time, subject to the funding of the Priority Payment Amount and the Administrative Expense Amount, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 5 hereof, including against the Applicants, the Applicants' Property and the Purchased Shares shall attach to the Excluded Assets with the same priority as they had with respect to the Applicants' Property immediately prior to the Transactions as if the Transactions had not occurred.

10. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 5 hereof, the Purchaser, the Applicants, and the Monitor shall be deemed released from any and all Claims or obligations with respect to Taxes of, or that relate to, the Applicants, provided that, as it relates to the Applicants and the Purchaser, such release shall not apply to (i) Taxes in respect of the business and operations conducted by the Applicants after the Closing Time; or (ii) Taxes expressly assumed as Retained Liabilities pursuant to the Subscription Agreement, including without limiting the generality of the foregoing, all Taxes that

could be assessed against the Applicants or the Purchaser (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5<sup>th</sup> Supp.), as amended, or any provincial equivalent, in connection with the Applicants. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

11. **THIS COURT ORDERS** that except for the Excluded Assets and Excluded Liabilities, all Retained Leases, Retained Contracts, and any Restructured Leases shall remain in full force and effect upon and following the Closing Time, and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) who is a party to any such Retained Contracts, Retained Leases, or Restructured Leases may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such contract, and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Applicants);
- (b) the insolvency of any of the Applicants or the fact that the Applicants obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions, the provisions of this Order, or any other order of the Court in these CCAA proceedings; or
- (d) any transfer or assignment, or any change of control of any of the Applicants arising from the implementation of the Subscription Agreement, the Transactions, or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Applicants or the Purchaser in respect of any Retained Liabilities; (b) the designation of any Claim as a Retained Liability is

without prejudice to any of the Applicants right to dispute the existence, validity or quantum of any such Retained Liability; and (c) nothing in this Order or the Subscription Agreement shall affect or waive the Applicants' or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liabilities, including, but not limited to, all rights with respect to entitlements to set-offs or recouplements against such Retained Liabilities.

13. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all breaches and/or defaults of any of the Applicants then existing or previously committed by any of the Applicants, or caused by any one of the Applicants, directly or indirectly, as well as any non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Retained Contracts or Retained Leases arising directly or indirectly from the filing by the Applicants under the CCAA or the implementation of the Transactions, including without limitation any of the matters or events listed in paragraphs 5 and 11 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract or Retained Lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse any of the Applicants or the Purchaser from performing their obligations under the Subscription Agreement (including their obligations related to Cure Costs) or be a waiver of defaults by any of the Applicants or the Purchaser under the Subscription Agreement and the related documents.

14. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, indirectly, derivatively or otherwise, and including without limitation administrative or tribunal hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicants or the Purchaser relating in any way to or in respect of any Excluded Assets or Excluded Liabilities, and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

15. **THIS COURT ORDERS** that, from and after the Closing Time:

- (a) the nature of the Retained Liabilities retained by the Applicants, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against the Applicants under or in respect of any Excluded Assets or Excluded Liabilities, (each, an “**Excluded Liability Claim**”) shall no longer have an Excluded Liability Claim against the Applicants, but will have an equivalent Excluded Liability Claim as against ResidualCo in respect of the Excluded Assets or Excluded Liabilities, from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Person had against the Applicants in respect of that Excluded Liability Claim prior to the Closing Time.

16. **THIS COURT ORDERS** that, from and after the Closing Time:

- (a) ResidualCo shall be a company to which the CCAA applies; and
- (b) ResidualCo shall be added as an Applicant in these CCAA proceedings and all references in any order of this Court in respect of these CCAA proceedings (except the herein order) to (i) an “Applicant” or the “Applicants” shall refer to and include ResidualCo and (ii) “Property” shall include all present and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo, and, for greater certainty, each of the Charges (as defined in the ARIO) shall constitute a charge on the property of ResidualCo.

17. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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 1001065113 ONTARIO INC.

18. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 195, c. B-3, as amended (the "**BIA**"), in respect of the Applicants or ResidualCo and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any of the Applicants or ResidualCo; and
- (d) the provisions of any applicable legislation,

the Subscription Agreement, the implementation and consummation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets and Excluded Liabilities in and to ResidualCo, the redemption and cancellation of all Existing Shares in Amalco 2 for no consideration, the issuance, transfer and vesting of the Purchased Shares in and to the Purchaser) shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and/or ResidualCo and shall not be void or voidable by creditors of the Applicants or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**BANKRUPTCY**

19. **THIS COURT ORDERS** that, following the Closing Time, A&M or the director of ResidualCo shall be authorized to file an assignment in bankruptcy pursuant to the BIA for and on behalf of ResidualCo and to take any steps incidental thereto.

20. **THIS COURT ORDERS** that A&M, or another licensed trustee at A&M's direction, are hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of ResidualCo under the BIA.

#### **EXTENSION OF STAY PERIOD AND CONCLUSION OF CCAA PROCEEDINGS**

21. **THIS COURT ORDERS** that the Stay Period, as defined in the ARIO, is hereby extended until and including the date of the bankruptcy of ResidualCo, unless extended by further order of the Court (the "**CCAA Termination Date**").

22. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date:

(a) these CCAA proceedings shall be terminated without any other act or formality, provided that nothing in this order impacts the validity of any orders made in these CCAA proceedings or any actions or steps taken by any Person pursuant to or as authorized by any orders of the Court made in these CCAA proceedings; and

(b) A&M shall be discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor.

23. **THIS COURT ORDERS** that, notwithstanding the discharge of A&M as Monitor, and notwithstanding the termination of these CCAA proceedings, A&M shall have the authority from and after that time to complete any matters that may be incidental to the termination of these CCAA proceedings. In completing any incidental matters, A&M shall continue to have the benefit of the provisions of all orders made in these CCAA proceedings, including all approvals, protections and stays of proceedings in favour of A&M in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO or any other order made in these CCAA proceedings.

24. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date, but subject to the prior payment in full of all amounts owing to the beneficiaries thereunder, if any, the Charges shall be terminated, released and discharged without any other act or formality.

25. **THIS COURT ORDERS** that the Monitor is hereby directed to serve a notice or certificate of the CCAA Termination Date upon the Service List (as defined in the ARIO) established by the Monitor and file such notice or certificate with the Court as soon as is practicable following the occurrence thereof.

#### **TERMINATION OF THE RELATED PARTY STAY**

26. **THIS COURT ORDERS** that the stay of proceedings in respect of DAK Capital Inc. is terminated effective the Closing Time.

#### **THE MONITOR**

27. **THIS COURT ORDERS** that nothing in this Order shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA proceedings and A&M shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO and any other orders in these CCAA proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of A&M in its capacity as Monitor, all of which are expressly continued and confirmed.

28. **THIS COURT ORDERS** that no action lies against the Monitor and its legal counsel and their respective affiliates, directors, officers, partners, employees, and advisors (the “**Monitor Released Parties**”) by reason of this Order or the performance of any act authorized by this Order, except with prior leave of the Court following a motion brought on not less than fifteen (15) days’ notice to the Monitor and its legal counsel and upon further order securing, as security for costs, the full indemnity costs of the applicable Monitor Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

29. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Applicants or ResidualCo, or any part thereof; or (b) be deemed to be in Possession (as defined in the ARIO) of any property of the Applicants or ResidualCo within the meaning of any applicable Environmental Legislation and Cannabis Legislation (both as defined in the ARIO) or otherwise.

30. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order.

31. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo.

32. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated August 27, 2024, the First Report of the Monitor dated September 4, 2024, the Second Report of the Monitor dated September 16, 2024, the Supplement to the Second Report dated October 16, 2024, and the Third Report of the Monitor and the activities of the Monitor as set out therein be and are hereby approved provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

33. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Third Report, including the estimated fees and disbursements up to the CCAA Termination Date, be and are hereby approved.

#### **POST-FILING RELEASES**

34. **THIS COURT ORDERS** that, effective upon the Closing Time, (a) the current directors, officers, shareholders, employees, consultants, legal counsel and advisors of the Applicants; (b) the current directors, officers, shareholders, consultants, legal counsel and advisors to ResidualCo; (c) TS Investments Corp. and its legal counsel and their respective affiliates, directors, officers, partners, employees, and advisors; and (d) the Monitor Released Parties (the Persons listed in (a), (b), (c) and (d) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) arising in connection with or relating to these CCAA proceedings, the Subscription Agreement, the

consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the “**Released Claims**”), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to Residual Co. or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or any obligations of the Released Parties under, or in connection with, the Subscription Agreement. For greater certainty, “current” in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions.

### **PRE-FILING RELEASES**

35. **THIS COURT ORDERS** that, effective upon the Closing Time, the current directors and officers of the Applicants (collectively, the “**Released D&Os**” and each a “**Released D&O**”) shall be and are hereby forever irrevocably released and discharged from any and all claims, including but not limited to claims under the *Arthur Wishart Act, 2000*, SO 2000, c 3, that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA proceedings in respect of the Applicants, the business, operations, assets, property and affairs of the Applicants and/or these CCAA proceedings (collectively, the “**D&O Released Claims**”), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O; (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) that is an Insured Claim (as defined herein). For greater certainty, “current” in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

36. **THIS COURT ORDERS** that, notwithstanding anything set out in any of the Orders made by the Court in these CCAA proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability which is an insured claim (the “**Insured Claims**”) under any insurance policy maintained by the Applicants (collectively, the “**Insurance Policies**”) to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim, and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against the Applicants or the Released D&Os, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicants or any of the Released D&Os, other than enforcing such Person’s rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defenses of any insurer with respect to its obligations under any of the Insurance Policies.

#### **GENERAL**

37. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances in respect of Excluded Assets or Excluded Liabilities as against the Applicants, Retained Assets and the Purchased Shares.

38. **THIS COURT ORDERS** that nothing herein shall impair or otherwise affect any rights or claims of Canopy Growth Corporation, Tweed Inc., Tweed Leasing Corporation or Tweed Franchise Inc. against DAK Capital Inc.

39. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, 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.

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

42. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order without any need for entry and filing.



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## Schedule "A" – Form of Monitor's Closing Certificate

Court File No. CV-24-00726584-00CL

### ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2675970 ONTARIO INC., 2733181 ONTARIO INC., 2385816 ALBERTA LTD., 2161907 ALBERTA LTD., 2733182 ONTARIO INC., 2737503 ONTARIO INC., 2826475 ONTARIO INC., 14284585 CANADA INC., 2197130 ALBERTA LTD., 2699078 ONTARIO INC., 2708540 ONTARIO CORPORATION, 2734082 ONTARIO INC., TS WELLINGTON INC., 2742591 ONTARIO INC., 2796279 ONTARIO INC., 10006215 MANITOBA LTD., AND 80694 NEWFOUNDLAND & LABRADOR INC. (individually, an "**Applicant**" and collectively, the "**Applicants**")

### MONITOR'S CERTIFICATE

#### RECITALS

A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (the "**Court**") dated August 28, 2024 (the "**Initial Order**"), the Applicants were granted creditor protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and Alvarez & Marsal Canada Inc. was appointed as Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**").

B. Pursuant to an Order of the Court dated November 28, 2024 (the "**Approval and Reverse Vesting Order**"), the Court, *inter alia*, (i) approved the Amended and Restated Subscription Agreement between 2675970 Ontario Inc., as issuer, and TS Investments Corp. as purchaser dated November 26, 2024 (the "**Subscription Agreement**"); (ii) approved the transactions contemplated by the Subscription Agreement; (iii) added 1001065113 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings; (iv) vested all of the Applicants' right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo; (v) authorized and directed the Applicants to file the Articles of Reorganization (as defined herein)(if determined necessary by the Purchaser); (vi) terminated and cancelled all

Existing Shares in Amalco 2 for no consideration; (vii) authorized and directed Amalco 2 to issue the Purchased Shares; (viii) vested all of the right, title and interest in and to the Purchased Shares in the Purchaser; and (ix) approved the Reorganization Steps.

C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order or, if not defined therein, the Subscription Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received written confirmation from Amalco 2 and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing set out in the Subscription Agreement have been satisfied or waived by the Purchaser or Amalco 2, as applicable; and
2. The Purchaser has paid to the satisfaction of the Monitor, the Cash Consideration including the Priority Payment Amount and the Administrative Expense Amount.

This Certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_.

**Alvarez and Marsal Canada Inc. in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity**

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

Name:

Title:

### **Schedule “B” – Permitted Encumbrances**

1. Any Encumbrances that secure obligations under the BMO Post-Closing Loan Documents.
2. Any Encumbrances that secure the Intercompany Liabilities.
3. Any Encumbrances that secure obligations under the TS Investments Grid Note.

**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 2675970 ONTARIO INC. et al.**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

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