



Court File No. CV-21-00655373-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

MONDAY, THE 22nd

JUSTICE HAINEY

)

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DAY OF FEBRUARY, 2021

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.
(collectively, the "**Applicants**")

ANCILLARY ORDER
(KERP, Stay Extension & Monitor Fee Approval)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, approving: (i) the KERP (as defined below); (ii) an extension of the Stay Period; and (iii) the Monitor's reports, activities and fees and certain related relief, was heard this day by Zoom videoconference as a result of the COVID-19 pandemic.

ON READING the Notice of Motion of the Applicants, the affidavit of Michael Devon sworn February 16, 2021 (the "**February 16 Devon Affidavit**"), the Second Report of FTI Consulting Canada Inc. (the "**Second Report**"), in its capacity as Monitor of the Applicants (the "**Monitor**"), filed, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Alliance One Tobacco Canada Inc. ("**Alliance**"), and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of Aiden Nelms sworn February 18, 2021;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order dated January 29, 2021 or the February 16 Devon Affidavit, as applicable.

KERP

3. **THIS COURT ORDERS** that the key employee retention plan (the "**KERP**") described in the February 16 Devon Affidavit, the details of which are contained in Confidential Appendices "A" and "B" to the Second Report (the "**Confidential Appendices**"), is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms thereof.
4. **THIS COURT ORDERS** that payments made by the Applicants pursuant to this Order in respect of the KERP do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SEALING

5. **THIS COURT ORDERS** that the Confidential Appendices are hereby sealed and shall not form part of the public record until further order of the Court.

EXTENSION OF THE STAY PERIOD

6. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including April 30, 2021.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

7. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated January 21, 2021, the First Report, the Second Report and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Second Report, be and are hereby approved.

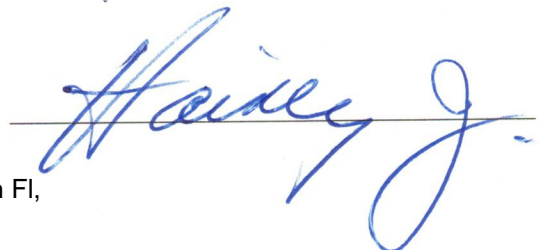
GENERAL

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, 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.

10. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty and are each 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.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF FIGR BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.

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Proceedings Commenced in Toronto

ANCILLARY ORDER

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