

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** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP**") or the Amended and Restated Initial Order dated January 29, 2021 (the "**Amended and Restated Initial Order**"), as applicable.

APPROVAL OF THE SISP

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with this Order) be and is hereby approved and the Monitor, together with its affiliate, FTI Capital Advisors – Canada ULC ("**FTI Capital Advisors**"), and the Applicants are authorized and directed to carry out the SISP in accordance with its terms and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.
4. **THIS COURT ORDERS** that the Applicants, the Monitor, FTI Capital Advisors and their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants, the Monitor or FTI Capital Advisors, as applicable, as determined by this Court.
5. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor and FTI Capital Advisors shall not take possession of the Property or be deemed to take possession of the Property, including pursuant to any provision of the Cannabis Legislation.

6. **THIS COURT ORDERS** that the Monitor or the Applicants may apply to this Court for directions with respect to the SISP at any time.

PIPEDA

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicants, the Monitor, FTI Capital Advisors and their respective Assistants are hereby authorized and permitted to disclose and transfer to each Phase 1 Qualified Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each Phase 1 Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicants, the Monitor or FTI Capital Advisors, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicants, the Monitor or FTI Capital Advisors. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, the Monitor or FTI Capital Advisors or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants, the Monitor or FTI Capital Advisors, as applicable.

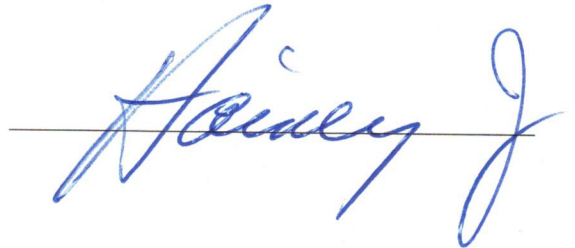
GENERAL

8. **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, the Monitor and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

10. **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.



SCHEDULE "A"

[attached]

SALE AND INVESTMENT SOLICITATION PROCESS

On January 21, 2021, FIGR Brands, Inc., FIGR Norfolk Inc. and Canada's Island Garden Inc. (collectively, the “**Applicants**”) were granted an initial order (as amended and restated from time to time, the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**” and the Applicants' proceedings thereunder, the “**CCAA Proceedings**”), by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). All capitalized terms utilized herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.

Pursuant to an order dated January 29, 2021 (the “**SISP Approval Order**”) the Court approved, among other things, the sale and investment solicitation process (the “**SISP**”) described herein. In accordance with the SISP Approval Order, FTI Consulting Canada Inc., with the assistance of its affiliate FTI Capital Advisors Canada ULC (the “**Monitor**”), with the assistance of the Applicants, will conduct the SISP. The SISP is intended to solicit interest from qualified parties in an acquisition or refinancing of the business or a sale of a portion of or all the assets and/or the business of the Applicants by way of merger, reorganization, recapitalization, sale or other similar transaction.

This document (the “**SISP Procedure**”) outlines the SISP, which will include a notification process followed by two (2) phases of activity for qualified interested bidders (“**Phase 1**” and “**Phase 2**”, respectively).

Opportunity

1. The SISP is intended to solicit interest in, and opportunities for, a sale of all or part of the Property and/or an investment in the Business (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern or a sale of all, substantially all or one or more components of the Property and the Business as a going concern or otherwise.
2. Except to the extent otherwise set forth in a definitive agreement with a successful bidder, any sale of the Property or an investment in the Business will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Monitor or the Applicants, or any of their respective agents or advisors, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

Timeline

3. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA, CIM and Phase 1 data room.	Preliminary solicitation efforts commenced on January 22, 2021 The Monitor will send the Teaser Letter and the NDA to each Known Potential Bidder by no later than February 4, 2021
Phase 1 Bid Deadline	February 26, 2021 at 5:00 PM (Eastern Time)
Phase 2 Bid Deadline	To be Specified in Phase 2 Bid Process Letter

Any extensions or amendments to the deadlines above will be communicated to Phase 1 Qualified Bidders or Phase 2 Qualified Bidders (each as defined below), as applicable, in writing and such extensions or amendments shall be posted on the website the Monitor maintains in respect of the CCAA Proceedings at <http://cfcanada.fticonsulting.com/figr> (the “**Monitor’s Website**”).

Solicitation of Interest: Notice of the SISP

4. As soon as reasonably practicable, but in any event by no later than February 4, 2021:
 - (a) the Monitor, with the assistance of the Applicants and in consultation with Alliance One Tobacco Canada, Inc. (the “**DIP Lender**”), will prepare a list of potential bidders, including: (i) parties that have approached the Monitor or the Applicants and advised that they have an interest in the Opportunity; (ii) local and international strategic and financial parties who the Monitor and/or the Applicants, in consultation with the DIP Lender, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the SISP; and (iii) any other credible parties as determined by the Monitor and/or Applicant, in consultation of the DIP Lender suggested in writing by a stakeholder as a potential bidder who may be interested in the Opportunity (collectively, the “**Known Potential Bidders**”);
 - (b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor in consultation with the Applicants and the DIP Lender, consider appropriate) (the “**Notice**”) to be published as soon as reasonably practicable after the date hereof in *The Globe and Mail (National Edition)*, HortiDaily.com and any other newspaper or journal the Monitor considers appropriate, if any;
 - (c) the Applicants will issue a press release setting out the information contained in the Notice and such other relevant information which the Applicants and the Monitor,

in consultation with the DIP Lender, consider appropriate, for dissemination in Canada and major financial centres in the United States;

- (d) the Monitor, with the assistance of the Applicants and in consultation with the DIP Lender, will prepare a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under this SISP Procedure and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (e) the Applicants will prepare a non-disclosure agreement in form and substance satisfactory to the Monitor (an “**NDA**”).
5. The Monitor will send the Teaser Letter and NDA to each Known Potential Bidder by no later than February 4, 2021 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Monitor or the Applicants as a potential bidder, if deemed a credible bidder by the Monitor and the Applicants as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON-BINDING LOIs

Qualified Bidders and Delivery of Confidential Information Package

6. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Monitor and the Applicants, an NDA executed by it, which shall enure to the benefit of any purchaser of or investor in the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, and the contact information for such Potential Bidder (each a “**Phase 1 Qualified Bidder**”).
7. The Monitor, in consultation with the Applicants, will prepare and send to each Phase 1 Qualified Bidder a confidential information package providing additional information considered relevant to the Opportunity (the “**Confidential Information Package**”).
8. The Applicants, with the consent of the Monitor, reserve the right to limit any Phase 1 Qualified Bidder’s access to any confidential information (including any information in the Confidential Information Package or a data room) and to customers and suppliers of the Applicants, where, in the Applicants' opinion after consultation with the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Business or the Property.

Due Diligence

9. The Monitor, in consultation with the Applicants, shall in its reasonable business judgment and subject to the Applicants' competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence material and information relating to the Property and Business as they deem appropriate. Due diligence access may include access to electronic data rooms, on-site inspections, and other matters, which a Phase 1 Qualified Bidder may reasonably request and as to which the Applicants in consultation with the Monitor, may agree. The Monitor will designate a representative to coordinate all

reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated.

10. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they may enter into with the Applicants.

Non-Binding Letters of Intent from Phase 1 Qualified Bidders

11. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (an “**LOI**”) to the Monitor and the Applicants in accordance with this SISP Procedure at the addresses specified in Schedule “A” hereto (including by email) so as to be received by them no later than 5:00 PM (Eastern Time) on February 26, 2021, or such later date or time as may be agreed to by the Monitor, with the consent of the Applicants (the “**Phase 1 Bid Deadline**”).
12. Subject to paragraph 13, an LOI so submitted will be considered a qualified LOI (each a “**Qualified LOI**”) only if:
 - (a) in the case of a proposal to acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), it identifies or contains the following:
 - (i) the Qualified Phase 1 Bidder and representatives thereof who are authorized to appear and act on behalf of the Qualified Phase 1 Bidder for all purposes regarding the transaction;
 - (ii) the identity of each entity or person that will be sponsoring or participating in or benefiting from the transaction contemplated by the LOI;
 - (iii) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - (iv) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (v) evidence of the financial capability of the Phase 1 Qualified Bidder to consummate the transaction and the expected structure and financing of the transaction;
 - (vi) a description of the liabilities and obligations to be assumed by the Phase 1 Qualified Bidder along with information sufficient for the Monitor and the Applicants to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations to be assumed;
 - (vii) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer,

- including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;
- (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (ix) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any form of agreement required from a government body, stakeholder or other third party (“**Third Party Agreement**”) and an outline of the principal terms thereof; and
 - (x) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (b) in the case of a proposal to make an investment in, restructure, recapitalize, reorganize or refinance the Business or the Applicants (each an “**Investment Proposal**”), it identifies or contains the following:
- (i) the Qualified Phase 1 Bidder and representatives thereof who are authorized to appear and act on behalf of the Qualified Phase 1 Bidder for all purposes regarding the transaction;
 - (ii) the identity of each entity or person that will be sponsoring or participating in or benefiting from the transaction contemplated by the LOI;
 - (iii) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;
 - (iv) the aggregate amount of the equity and/or debt investment to be made in the Business and/or the Applicants in Canadian dollars;
 - (v) key assumptions supporting the Phase 1 Qualified Bidder’s valuation;
 - (vi) a description of the Phase 1 Qualified Bidder’s proposed treatment of any obligations or liabilities, including, without limitation, material contracts and employees;
 - (vii) information sufficient for the Monitor and the Applicants to determine that the Phase 1 Qualified Bidder has the ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above;
 - (viii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interests or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);

- (ix) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
 - (x) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;
 - (xi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (xii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation, any regulatory approvals and any Third Party Agreement required and an outline of the principal terms thereof; and
 - (xiii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and
- (c) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Monitor after consultation with the Applicants.
13. The Monitor, with the consent of the Applicants, and in consultation with the DIP Lender, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

14. Following the Phase 1 Bid Deadline, the Monitor in consultation with the Applicants and the DIP Lender will assess the Qualified LOIs. If it is determined by the Monitor, in consultation with the Applicants and the DIP Lender, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a “**Phase 2 Qualified Bidder**”, provided that the Monitor may, in its reasonable business judgment and with the consent of the Applicants, limit the number of Phase 2 Qualified Bidders (and thereby eliminate any bidders from the process) taking into account the factors identified in paragraph 15 below and any material adverse impact on the operations and performance of the Applicants. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISF. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Monitor.
15. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Monitor and the Applicants, in consultation with the DIP Lender, shall determine the process and timing to be followed in pursuing Qualified LOIs based on

such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received; (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business; (iii) the scope of the Property or Business to which any Qualified LOIs may relate; (iv) the conditions to closing contained in the Qualified LOIs; and (v) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

16. Upon the determination by the Monitor and the Applicants, in consultation with the DIP Lender, of the manner in which to proceed to Phase 2 of the SISP, the Monitor and the Applicants, in consultation the DIP Lender, will prepare a bid process letter for Phase 2 (the “**Bid Process Letter**”), and the Bid Process Letter will be: (i) sent by the Monitor to all Phase 2 Qualified Bidders as soon as practically possible following the Phase 1 Bid Deadline; and (ii) posted by the Monitor on the Monitor’s Website.
17. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter,
 - (a) the Monitor may, with the consent of the Applicants and in consultation with the DIP Lender, at any time:
 - (i) in accordance with paragraph 39 herein, pause, terminate, amend or modify the SISP or this SISP Procedure;
 - (ii) remove any portion of the Business and the Property from the SISP;
 - (iii) establish further or other procedures for Phase 1;
 - (b) the Applicants may, with the consent of the Monitor and in consultation with the DIP Lender, at any time bring a motion to the Court to seek approval of:
 - (i) a sale of, or investment in, all or part of the Property or the Business whether or not such sale or investment is in accordance with the terms or timelines set out in this SISP Procedure or the Bid Process Letter; or
 - (ii) a stalking horse agreement in respect of some or all of the Property or Business and related bid procedures in respect of such Property.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

18. Paragraphs 19 to 34 below and the conduct of Phase 2 are subject to paragraphs 14 to 17, above, any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

19. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Applicants or their Property or Business shall submit a binding offer (a

“Phase 2 Bid”) that complies with all of the following requirements to the Monitor and the Applicants at the addresses specified in Schedule “A” hereto (including by email), so as to be received by them no later than the date set out in the Bid Process Letter (the **“Phase 2 Bid Deadline”**):

- (a) the bid shall comply with all of the requirements set forth in paragraph 12 above in respect of Phase 1 Qualified LOIs;
- (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Applicants or their Property or Business and is consistent with any necessary terms and conditions established by the Applicants and the Monitor and communicated to Phase 2 Qualified Bidders;
- (c) the bid includes a letter stating that the Phase 2 Qualified Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (d) the bid includes duly authorized and executed transaction agreements, including the purchase price (in an exact figure and not expressed as a range), investment amount and any other key economic terms expressed in Canadian dollars (the **“Purchase Price”**), together with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed order to approve the transaction by the Court;
- (e) the bid include a blackline comparison between the transaction agreements submitted and the template provided to Phase 2 Qualified Bidder in the data room;
- (f) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Phase 2 Qualified Bidder’s financial and other capabilities to consummate the proposed transaction;
- (g) the bid is not conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 2 Qualified Bidder; or (ii) obtaining financing, but may be conditioned upon the Applicants receiving the required approvals or amendments relating to the licenses required to operate its business, if necessary;
- (h) the bid fully discloses the identity of each entity that will be (directly or indirectly) entering into the transaction or the financing (including through the issuance of debt in connection with such bid), or that is participating or benefiting from such bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Qualified Bidder formed for the purposes of entering into the proposed transaction,

the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Qualified Bidder and the terms and participation percentage of such equity holder's interest in such bid; and (ii) the identity of each entity that has or will receive a benefit from such bid from or through the Phase 2 Qualified Bidder or any of its equity holders and the terms of such benefit;

- (i) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a deposit in the amount of not less than 10% of the Purchase Price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
 - (j) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
 - (k) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that the Phase 2 Qualified Bidder: (i) confirms that the transaction is on an "as is, where is" basis; (ii) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Applicants prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 1 from the Phase 2 Qualified Bidder); (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iv) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the applicable Applicants;
 - (l) the bid contains other information required by the Monitor in consultation with the Applicants including, without limitation, such additional information as may be required in the event Phase 2 is supplemented in accordance with paragraph 16 to contemplate that an auction of certain Property be conducted; and
 - (m) the bid is received by the Phase 2 Bid Deadline.
20. Following the Phase 2 Bid Deadline, the Monitor and the Applicants will assess the Phase 2 Bids received. The Monitor, in consultation with the Applicants and the DIP Lender, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". Only Phase 2 Qualified Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s).
21. The Monitor, with the consent of the Applicants and in consultation with the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Phase 2 Bids to be a Qualified Bid.

22. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constituted a Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.
23. If the Applicants, in consultation with the Monitor and the DIP Lender, are not satisfied with the number or terms of the Qualified Bids, the Applicants may, in consultation with the DIP Lender and with the approval of the Monitor, extend the Phase 2 Bid Deadline, or the Applicants may amend the SISP or this SISP Procedure in accordance with the terms set out herein.
24. The Monitor and the Applicants may, in consultation with the DIP Lender, aggregate separate Phase 2 Bids from unaffiliated Phase 2 Qualified Bidders to create one Qualified Bid.

Evaluation of Competing Bids

25. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the value provided by such bid; (ii) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions; (iii) the proposed transaction documents; (iv) factors affecting the speed, certainty and value of the transaction; (v) the assets or liabilities included or excluded from the bid; (vi) any related restructuring costs; and (vii) the likelihood and timing of consummating such transaction, each as determined by the Monitor and the Applicants, in consultation with the DIP Lender.

Selection of Successful Bid

26. The Monitor and the Applicants, in consultation with the DIP Lender, will: (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between the Applicants, the Monitor and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations; and (b) identify the highest or otherwise best bid (the “**Successful Bid**”, and the Phase 2 Qualified Bidder making such Successful Bid, the “**Successful Bidder**”) for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Applicants, with the assistance and approval of the Monitor, and in consultation with the DIP Lender, shall be subject to approval by the Court.
27. The Applicants shall have no obligation to enter into a Successful Bid, and they reserve the right, in consultation with the Monitor and the DIP Lender, to reject any or all Phase 2 Qualified Bids.
28. Notwithstanding the process and deadlines outlined above with respect to Phase 2 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter
 - (a) the Monitor may, in consultation with the DIP Lender and with the consent of the Applicants, at any time:

- (i) in accordance with paragraph 39 herein, pause, terminate, amend or modify the SISP or this SISP Procedure;
 - (ii) remove any portion of the Business and the Property from the SISP;
 - (iii) establish further or other procedures for Phase 2;
- (b) the Applicants may, in consultation with the DIP Lender and with the consent of the Monitor, at any time bring a motion to the Court to seek approval of:
- (i) a sale of, or investment in, all or part of the Property or the Business whether or not such sale or investment is in accordance with the timelines set out in this SISP Procedure or the Bid Process Letter; or
 - (ii) a stalking horse agreement in respect of some or all of the Property or Business and related bid procedures in respect of such Property.

Sale Approval Motion Hearing

29. At the hearing of any motion to approve any transaction with a Successful Bidder (the “**Sale Approval Motion**”), the Applicants shall seek, among other things, approval from the Court to consummate such Successful Bid. To the extent other Phase 2 Qualified Bids other than the Successful Bid are in respect of the same Property as such Successful Bid, such other Phase 2 Qualified Bids shall be deemed to be rejected on and as of the date of approval of the Successful Bid by the Court.
30. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Confidentiality and Access to Information

31. The Monitor and the Applicants and their respective advisors make no representation or warranty as to the information contained in the Confidential Information Package, data room or otherwise made available pursuant to the SISP, except in respect of the Applicants to the extent expressly contemplated in any definitive agreement with a Successful Bidder ultimately executed and delivered by the Applicants.
32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

33. Notwithstanding anything contained herein, forthwith following the Phase 1 Bid Deadline, the DIP Lender shall be entitled to receive all LOIs from the Applicants on a confidential basis pursuant to the DIP Term Sheet regardless of any confidentiality restrictions that may appear in any LOI. Further, the DIP Lender, having provided written notice to the Monitor that it will not participate in the SISP as a Potential Bidder, will be entitled to be consulted throughout the SISP and, will have access to copies of all bidder information including but not limited to, bidder solicitation materials, LOIs, Phase 2 Bids, Qualified Bids, Successful Bids and any definitive agreements in connection therewith, together with weekly updates from the Monitor on the SISP, provided that the DIP Lender has entered into confidentiality arrangements satisfactory to the Applicants and the Monitor. For greater certainty, nothing herein prevents the DIP Lender from participating in any transaction involving the Applicants should the SISP terminate or as permitted by the Bid Process Letter.
34. In addition to the consultation rights granted to the Monitor and the DIP Lender, herein, the Applicants and the Monitor may consult with any other parties with a material interest in the CCAA Proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by such party (subject to paragraph 32 and taking into account, among other things, whether any particular party or any of its affiliates is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Applicants and the Monitor.

Supervision of the SISP

35. The Monitor shall oversee, in all respects, the conduct of the SISP and, without limitation to that role, the Monitor will participate in the SISP in the manner set out in this SISP Procedure, the SISP Approval Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP.
36. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants or the Monitor and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.
37. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, the Applicants, the DIP Lender or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from its gross negligence or wilful misconduct. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Monitor.

38. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
39. The Monitor shall have the right to modify the SISP and this SISP Procedure (including, without limitation, pursuant to the Bid Process Letter) in consultation with the DIP Lender and with the prior approval of the Applicants, if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.

SCHEDULE “A”

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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.**

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

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(COMMERCIAL LIST)

Proceedings Commenced in Toronto

SISP APPROVAL ORDER

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