



No. B-200196
Estate No. 11-2636236
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
TRUE LEAF INVESTMENTS CORP.

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
) November 6, 2020
MADAM JUSTICE FITZPATRICK)

ON THE APPLICATION of FTI Consulting Canada Inc. (the "**Trustee**") in its capacity as trustee under the proposal of True Leaf Investments Corp. ("**TLI**") coming on for hearing at Vancouver, British Columbia, on the 6th day of November, 2020; AND ON HEARING Christopher J. Ramsay and Nicholas Carlson, counsel for TLI, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the materials filed;

THIS COURT ORDERS AND DECLARES that:

1. The proposal of TLI (the "**Proposal**"), a copy of which is attached hereto as **Schedule "B"**, is hereby sanctioned and approved pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). Capitalized terms used but not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.
2. The Proposal is hereby declared to have been approved by the requisite majority of creditors in conformity with the BIA.
3. The Proposal and the transactions contemplated thereby are hereby declared to be fair and reasonable and in the best interests of TLI, the Unsecured Creditors and the other stakeholders of TLI.
4. The Proposal is hereby deemed to be effective as of the Implementation Date and at that date will enure to the benefit of and be binding upon TLI, the Unsecured Creditors and all other persons affected by the Proposal.

5. TLI and the Trustee, as applicable, are hereby authorized to file, issue, execute and deliver the agreements, documents, securities and instruments contemplated by the Proposal, in the name of and on behalf of TLI, in order to effect all corporate actions contemplated by the Proposal and, without limiting the generality of the foregoing in any way, the Trustee is hereby authorized and directed to file and deliver the certificate, in the prescribed form, in accordance with section 65.3 of the BIA and section 11.1 of the Proposal.

6. The commencement or prosecution, whether directly, derivatively or otherwise, of any demands, claims, actions, causes of action, counterclaims, suits or any indebtedness, liability, obligation or cause of action released and discharged pursuant to the Proposal are hereby enjoined.

7. TLI, the Trustee and any other interested party shall have liberty to apply for such other directions or relief as may be necessary or desirable to give effect to this Order.

8. Approval of the form of this Order by counsel other than counsel to TLI and agent to the Trustee is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

per:  Nicholas Carlson

Signature of Agent to FTI Consulting Canada Inc.
in its capacity as trustee under the proposal of
True Leaf Investments Corp.
Lawyer: Christopher J. Ramsay

BY THE COURT

Registrar in Bankruptcy

Schedule A

Counsel

Ashley Taylor and Victor Gerchikov	Lind Asset Management XV, LLC
Christopher Ramsay and Nicholas Carlson	FTI Consulting Canada Inc. as agent
William Skelly	Canguard Mortgage Investment Corporation
Christine Matthews	The Crown in Right of Canada

Schedule B

Proposal of True Leaf Investments Corp.

IN THE SUPREME COURT OF BRITISH COLUMBIA

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PROPOSAL

**ARTICLE I
DEFINITIONS & INTERPRETATION**

1.1 DEFINITIONS

In the Proposal:

“Approval and Vesting Order” shall have the meaning ascribed to it in Section 2.1 of the Proposal.

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

“Business Day” means any day which is not a Saturday or Sunday, or statutory holiday in British Columbia.

“Canguard Entities” shall have the meaning ascribed to it in Section 2.1 of the Proposal.

“Claim” means any right or claim of any person against the Company, whether or not asserted in connection with any indebtedness, liability or obligation of any kind whatsoever owed to such person, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including, without limitation, any legal, statutory, equitable, or fiduciary duty), any right of ownership of or title to, or to a trust or deemed trust against, any of the property or assets of the Company, 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 the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose of action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to or at the Filing Date, and, for certainty, includes Priority Claims.

“Claims Process” means the process pursuant to the BIA by which the Trustee will determine the Proven Claims against the Company.

“Company” means True Leaf Investments Corp.

“Company’s Solicitors” means Clark Wilson LLP.

“Conditions Precedent” means the conditions precedent set out in Section 5.1 of the Proposal.

“Court” means the Supreme Court of British Columbia.

“Creditor” means any person that has a Claim against the Company.

“Creditors Meeting” means the meeting of the Creditors to be called and held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve the Proposal, as same may be amended at any such meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof.

“Crown” means Her Majesty in the Right of Canada or a province.

“Crown Claim” means a Claim of the Crown for amounts that are outstanding as at the Filing Date and are of the kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

“Disputed Claim” means any Claim of an Unsecured Creditor which has been received by the Trustee in accordance with the BIA but has not been accepted as a Proven Claim, or which is being disputed in whole or in part by the Trustee or any other person entitled to do so and has not been resolved by agreement or in accordance with the BIA.

“Employee Claims” means any Proven Claim of any employees and former employees of the Company, including the amounts that such employees and former employees would have been qualified to receive under Paragraph 136(1)(d) of the BIA if the Company had become bankrupt on the Filing Date.

"**Excluded Claim**" means, subject to further order of the Court:

- (a) any Secured Creditor Claim;
- (b) any Employee Claims;
- (c) any Priority Claims; and
- (d) any Crown Claims.

"**Excluded Creditors**" means Creditors having Excluded Claims.

"**Filing Date**" means April 2, 2020, the date when the Notice of Intention to File a Proposal pursuant to the BIA was filed by the Company.

"**Funds for Distribution**" shall have the meaning ascribed to it in Section 2.1 of the Proposal.

"**Interim Financing Charge**" means the charge granted pursuant to paragraph 4 of the order of the Court made May 1, 2020 in the Proposal Proceedings, as more particularly set out therein in favour of Lind, to secure the interim financing.

"**Inspectors**" has the meaning ascribed to it in Section 8.5 of the Proposal.

"**Implementation Date**" means the date on which the Conditions Precedent to the Proposal set forth in Article V hereof have been satisfied or waived.

"**Lind**" shall have the meaning ascribed to it in Section 2.1 of the Proposal.

"**Lind Loans**" shall have the meaning ascribed to it in the Term Sheet.

"**Plan Sponsor**" shall mean 1263809 B.C. Ltd.

"**Priority Claim**" means a Proven Claim of a Creditor entitled to receive a payment of any amount owed to it in priority to any payments to Unsecured Creditors as provided for in Section 136 of the BIA.

"**Proof of Claim**" means the proof of claim delivered to the Trustee in accordance with the BIA.

"**Proposal**" means the proposal herein among the Company and the Unsecured Creditors, as from time to time amended, modified or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Company and the Unsecured Creditors, as provided for herein or pursuant to any Creditors Meeting.

"**Proposal Proceeding**" means the proceeding commenced by the Company under the BIA, being British Columbia Supreme Court, Vancouver Registry Action No. B-200196.

"**Proven Claim**" means the aggregate amount of any and all Claims held by a Creditor which has been accepted by the Trustee and the Company in accordance with the BIA.

"**Required Majority**" means the affirmative vote, at the Creditors Meeting, of:

- (a) a simple majority in number of those Unsecured Creditors with Proven Claims in the Unsecured Creditor Class who vote upon the Proposal (in person or by proxy); and
- (b) a two-thirds majority in value of the Proven Claims of Unsecured Creditors in the Unsecured Creditor Class who vote upon the Proposal (in person or by proxy).

“Sanction Order” means the order of the Court made in the Proposal Proceeding approving the Proposal and directing the implementation of the Proposal.

“Secured Creditor Claim” means a secured Proven Claim of a Secured Creditor against the Company, but does not include the unsecured portion of the Proven Claim of a Secured Creditor.

“Term Sheet” shall have the meaning ascribed to it in Section 2.1 of the Proposal.

“Trustee” means FTI Consulting Canada Inc. in its appointed capacity as trustee of the Proposal, and not in its personal capacity.

“Trustee’s Fees” means all proper fees, expenses and legal costs of the Trustee on and incidental to the proceedings arising out of the Proposal and all proper fees, expenses and legal costs of the Trustee arising in relation to the Proposal.

“Trustee’s Final Certificate” means the certificate filed by the Trustee in the Proposal Proceeding confirming that the distributions to Creditors have been made in accordance with the Proposal.

“Unsecured Creditor Claim” means a Proven Claim of a Creditor against the Company that is not an Excluded Claim.

“Unsecured Creditor Class” means the class comprising all Creditors with Unsecured Creditor Claims.

“Unsecured Creditors” means those Creditors with Unsecured Creditor Claims.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.4 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in any other currency will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

1.6 DATE FOR ANY ACTION

In the event that any date on which any action is required to be taken under the Proposal by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

1.7 GOVERNING LAW

The Proposal shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable thereto. All questions as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

ARTICLE II PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The Secured Creditor Claim of Lind Asset Management XV, LLC ("**Lind**"), in relation to the Company, True Leaf Cannabis Inc. and True Leaf Brands Inc. is being refinanced through a transaction between Lind, The Australian Special Opportunity Fund, LP, Canguard Mortgage Investment Corporation and its related acquisition entities (collectively, the "**Canguard Entities**"), pursuant to the term sheet between the parties dated September 11, 2020 the ("**Term Sheet**"). The purpose of the Proposal is to allow for the Canguard Entities to acquire the shares of the Company and allow for the Company to emerge from the Proposal Proceeding.

The Canguard Entities, through the Plan Sponsor, have agreed to provide \$10,000 in funds to be distributed to Unsecured Creditors under this Proposal (the "**Funds for Distribution**").

The implementation of the Proposal is subject to the Conditions Precedent, including a) the approval by the Unsecured Creditor Class and the Court of the Proposal, and b) the Court granting an order in form and substance acceptable to the Canguard Entities (the "**Approval and Vesting Order**") vesting the shares of the Company to one of the Canguard Entities' acquisition companies, free and clear of all Claims against the Company and the assets (including the Interim Financing Charge, but excluding the balance of the Lind Loans over and above \$4.15 million) and discharging, expunging, and releasing any and all Claims or encumbrances, charges and security interests against the Company, its current and future assets, undertaking and properties of every nature and kind.

If the Proposal is not accepted by the Unsecured Creditors, the Company will be deemed bankrupt. The liquidation and sale of the Company's assets upon bankruptcy will result in no distribution to Unsecured Creditors.

2.2 EFFECT OF THE PROPOSAL

Upon the Company meeting its obligation to the Unsecured Creditors under the Proposal and subject to the satisfaction or waiver of the Conditions Precedent, all Claims which the Unsecured Creditors have against the Company shall be irrevocably extinguished, released and discharged. On the Implementation Date, the Proposal will be binding on the Company and the Unsecured Creditors.

The Proposal does not affect Excluded Creditors.

The Proposal is made pursuant to the provisions of the BIA.

2.3 VOTE BY UNSECURED CREDITORS

Subject to order of the Court, the Unsecured Creditors shall be entitled to attend and vote at the Creditors Meeting.

Subject to order of the Court, in order to be approved, the Proposal must receive an affirmative vote, in accordance with the provisions of the BIA, by the Required Majority of the Unsecured Creditor Class.

2.4 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for certain purposes connected with the Proposal, including administration of the Creditors Meeting and any adjournments thereof.

ARTICLE III CREDITOR CLASS AND PRIORITY OF PAYMENTS

3.1 UNSECURED CREDITOR CLASS

There will be one class of Creditors for the purpose of considering and voting upon the Proposal being the Unsecured Creditor Class.

3.2 PAYMENT TO THE UNSECURED CREDITORS

If the Proposal is approved by the Required Majority, and the Conditions Precedent have been satisfied or waived, then Unsecured Creditors shall be paid their pro rata share of the Funds for Distribution on account of their Unsecured Creditor Claims within 5 (five) Business Days of the Implementation Date, in full and final satisfaction of their Unsecured Creditor Claims.

3.3 CREDITORS WITH DISPUTED CLAIMS

Unsecured Creditors with Disputed Claims shall be entitled to attend the Creditors Meeting and cast a vote in respect of the Proposal up to the value of their Disputed Claim. The Trustee shall keep a separate record and tabulation of any votes cast in respect of Disputed Claims. The Trustee shall report the result of the vote and the tabulation of votes of Proven Claims and Disputed Claims to the Court and, if the decision by Unsecured Creditors whether to approve or reject the Proposal is affected by the votes cast in respect of Disputed Claims, the Company shall seek direction from the Court in respect thereof. The fact that a Disputed Claim is allowed for voting purposes shall not preclude the Company or the Trustee from disputing the Disputed Claim for distribution purposes.

Any Unsecured Creditors with a Disputed Claims on the date of distribution of payments under Section 3.2 shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless, until and to the extent that such Disputed Claim is accepted as a Proven Claim, either by agreement or in accordance with the Claims Process.

Pending resolution of each Disputed Claim, either by agreement or by Order of the Court, the Trustee shall withhold such amount as would be payable to the Unsecured Creditor with such Disputed Claim if that Disputed Claim were a Proven Claim. If and to the extent a Disputed Claim is determined to be a Proven Claim, the Trustee shall distribute the appropriate payment to that Unsecured Creditor in respect of its Proven Claim within 10 days of that determination. If a Disputed Claim is not determined to be a Proven Claim, then such withheld amount shall be dealt with in accordance with the BIA.

3.4 COMPROMISE AND RELEASE

Upon the Company meeting its obligation to each Unsecured Creditor under the Proposal, each Unsecured Creditor shall be deemed to have:

- (a) released the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) released the directors and officers of the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the directors or officers are, by law, liable in their capacity as directors or officers for the payment of such obligation but shall not include claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

ARTICLE IV PRIORITY PAYMENTS

4.1 TRUSTEE'S FEES

The Trustee's Fees will be paid by the Company in priority to payment of all Proven Claims in accordance with the provisions of the BIA.

4.2 PAYMENT OF PRIORITY CLAIMS

The Trustee shall pay the following from funds provided by the Company if applicable:

- (a) all Crown Claims within 6 months of the date the Sanction Order is made;
- (b) all Employee Claims immediately after the granting of the Sanction Order; and
- (c) any other Priority Claims in accordance with Subsection 136(1) of the BIA prior to any distribution to the Unsecured Creditors Class.

ARTICLE V PAYMENT TO THE UNSECURED CREDITORS

5.1 CONDITIONS PRECEDENT TO THE IMPLEMENTATION DATE

The Implementation Date is subject to the satisfaction or waiver of the following Conditions Precedent:

- (a) The Proposal has been approved by the Required Majority of the Unsecured Creditor Class;
- (b) The Sanction Order has been granted by the Court and has not been stayed;
- (c) The Approval and Vesting Order has been granted by the Court and has not been stayed;
- (d) The Funds for Distribution have been paid to the Proposal Trustee pursuant to Subsection 60(2) of the BIA;
- (e) The Sanction Order and Approval and Vesting Order as defined in the Proposal filed September 23, 2020 in respect of True Leaf Cannabis Inc. have been granted and have not been stayed; and
- (f) All other actions, documents and agreements necessary to implement the Proposal have been effected and executed.

5.2 WAIVER OF CONDITIONS PRECEDENT

Any of the Conditions Precedent contained in Section 5.1, other than Subsections 5.1(a) and 5.1(b) may be waived by the Company, with the consent of the Plan Sponsor and the Trustee.

5.3 TRUSTEE'S CERTIFICATE OF PROPOSAL IMPLEMENTATION

Upon being advised in writing by counsel to the Company that the Conditions Precedent have been satisfied or waived in accordance with Section 5.2 hereto and that the Proposal is capable of being implemented, the Trustee shall file with the Court a certificate stating that all Conditions Precedent have been satisfied or waived in accordance with the Proposal and that the Proposal is capable of being implemented forthwith.

5.4 Failure to Satisfy Conditions to Plan Implementation

If the Conditions Precedent are not satisfied or waived in accordance with Section 5.2 hereof on or before the day which is five (5) Business Days after the date on which the Sanction Order is issued or such later date as may be specified by the Company, with the consent of the Plan Sponsor and the Trustee or by order of the Court, the Proposal shall not be implemented and the Proposal and the Sanction Order shall cease to have any further force or effect.

ARTICLE VI DELIVERY OF NOTICES UNDER THE PROPOSAL

6.1 NOTICES AND PAYMENTS TO CREDITORS

Any notices, correspondence and payments to Creditors under or in relation to the Proposal shall be a) delivered to the address provided by each Creditor in its Proof of Claim unless the Trustee is notified by a Creditor in writing of an alternative address for delivery, or b) made in accordance with an order of the Court.

6.2 UNDELIVERABLE PAYMENTS

If any payments to a Creditor under the Proposal is returned to the Trustee as undeliverable, no further payments to that Creditor shall be made unless and until the Trustee is notified by such Creditor, in writing, of their current address, at which time any missed payments shall be delivered to such Creditor without interest. Undeliverable payments shall be retained by the Trustee until they are claimed or until the date of the Trustee's discharge, after which they shall, subject to Section 154(1) of the BIA and Directive No. 18 of the Superintendent of Bankruptcy, be paid over by the Trustee to the Office of the Superintendent of Bankruptcy.

6.3 WITHHOLDING TAXES AND SUPERINTENDENT'S LEVY

All payments made by the Trustee to Creditors pursuant to the Proposal shall be made net of all applicable levies in accordance with the BIA and regulations thereto, including the levy imposed by the Superintendent of Bankruptcy under the BIA.

Notwithstanding any other provision of the Proposal, each Creditor that is to receive a payment pursuant to the Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

**ARTICLE VII
PROCEDURE FOR VALIDATION OF CLAIMS**

7.1 FILING OF PROOFS OF CLAIM

Each Unsecured Creditor must file a Proof of Claim to vote on the Proposal and receive a distribution under the Proposal.

7.2 ALLOWANCE OR DISALLOWANCE OF CLAIMS BY THE TRUSTEE

Upon receipt of the completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal, as the case may be.

**ARTICLE VIII
CREDITORS MEETING**

8.1 CREDITORS MEETING

Subject to order of the Court:

- (a) the Creditors Meeting to consider and vote on the Proposal shall be conducted in accordance with Part III, Division I – General Scheme for Proposals of the BIA; and
- (b) the Creditors Meeting shall be held within 21 days after the date of filing of the Proposal.

8.2 VOTING

Subject to order of the Court, the Proposal shall be voted on by the Unsecured Creditors Class at the Creditors Meeting. For the purposes of voting, each Unsecured Creditor shall have one vote for the purposes of determining a majority in number in the Unsecured Creditor Class and each shall be entitled to one vote for each \$1.00 of its Proven Claim for the purpose of determining two-thirds in value.

8.3 PROXIES AND VOTING LETTERS

Unsecured Creditors will be entitled to vote at the Creditors Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the package provided to the Unsecured Creditors by the Trustee and will be binding upon the Unsecured Creditors.

8.4 ADJOURNMENT OF MEETING

The Creditors Meeting may be adjourned in accordance with Section 52 of the BIA.

8.5 INSPECTORS

At the Creditors Meeting, the Creditors may appoint one or more but not exceeding five inspectors (the “**Inspectors**”) under the Proposal pursuant to Section 56 of the BIA, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under the Proposal or any amendment thereto as the Trustee may, from time to time, request;
- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under the Proposal;
- (c) to extend the date(s) of distribution of payments under Section 3.2; and
- (d) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee.

The powers of the Inspectors will be exercised by a majority of them in accordance with Section 116(3) of the BIA.

In the event Creditors do not elect to appoint Inspectors under the Proposal, the Trustee shall be entitled to proceed as if authorized by the Inspectors and, subject to taxation thereof, to be paid by the Company for services rendered by it pursuant and in relation to the Proposal.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability for any wrongful act, default or neglect (other than fraud, willful misconduct or gross negligence) in fulfilling any duties or exercising any powers conferred upon them by the Proposal, the BIA or generally in carrying out the terms of the Proposal.

ARTICLE IX AMENDMENTS AND MODIFICATIONS

9.1 AMENDMENT OF PROPOSAL

The Company reserves the right, with the consent of the Plan Sponsor and the Trustee, to amend the Proposal at any time prior to the Creditors Meeting, and after the Creditors Meeting and prior to obtaining the Sanction Order to amend any approved Proposal, and re-submit it to the Creditors.

9.2 MODIFICATION OF PROPOSAL

After the Creditors Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors (should any be appointed) to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors (should any be appointed);
- (b) upon a vote conducted by the Trustee at a further meeting of Creditors; or

- (c) by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company and the Trustee to be directly affected by the proposed modification, whether a Creditor or not.

9.3 WAIVERS

Other than the Conditions Precedent contained in Section 5.1, any provision of the Proposal may be waived, with the consent of the Trustee, by the Inspectors, or if no Inspectors are appointed, with the consent of a simple majority of the Unsecured Creditors or by an Unsecured Creditor affected by the provision.

ARTICLE X APPLICATION FOR SANCTION ORDER AND APPROVAL AND VESTING ORDER

10.1 APPLICATION FOR SANCTION ORDER AND APPROVAL AND VESTING ORDER

Within 20 days after the Proposal has been approved by the Required Majority of the Unsecured Creditor Class, the Trustee will set a hearing date before the Court for a hearing of the application of the Sanction Order in accordance with Section 58 of the BIA and the Approval and Vesting Order.

10.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in Subsection 69.1(1) of the BIA will be continued in full force and effect from the date of filing of the Proposal until the later of the date of the completion of the distributions to the Creditors in accordance with the Proposal, or if the Company becomes bankrupt, the date of bankruptcy.

ARTICLE XI GENERAL

11.1 CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

Following the completion of the distributions to the Creditors in accordance with the Proposal, the terms of the Proposal shall be deemed to be fully performed and the Trustee shall give to the Company and the official receiver a certificate, in the prescribed form, in accordance with Section 65.3 of the BIA and the Trustee shall thereupon be entitled to be discharged.

11.2 FURTHER ACTIONS

The Company 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 Proposal and to give effect to the transactions contemplated hereby.

11.3 NOTICES

All notices and correspondence relating to the Proposal and to be delivered to the Company or the Trustee shall be made in writing and shall be delivered either personally, by email, by telecopy, by regular mail, by registered mail or by certified mail, return receipt request, at the following address:

(a) If to the Company:

Clark Wilson LLP
900-885 West Georgia St.
Vancouver, BC V6C 3H1

Attn: Christopher Ramsay / Katie Mak
Tel: 604-687-6314 / 604-643-3105
Email: cramsay@cwilson.com / kmak@cwilson.com

(b) If to the Trustee:

FTI Consulting Canada Inc.
Suite 1450, P.O. Box 10089
701 West Georgia St.
Vancouver, BC V7Y 1B6

Attn: Craig Munro
Tel: (604) 757-6108
Email: craig.munro@fticonsulting.com

(c) If to the Plan Sponsor:

MLT Aikins LLP
Suite 2600, 1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Attn: William E.J. Skelly
Tel: (604) 608-4597
Email: wskelly@mltaikins.com

And if to a Creditor, at its address set forth in the last Proof of Claim deposited with the Trustee, or at such other address of which the Creditor has subsequently given the Trustee notice in writing.

11.4 SUCCESSORS AND ASSIGNS

The Proposal is binding upon the Company and the Creditors and their respective heirs, executors, administrators, successors and assigns.

DATED this 2nd day of October, 2020.

True Leaf Investments Corp.

Per: 

Authorized Signatory

No. B-200196
Estate No. 11-2636236
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
TRUE LEAF INVESTMENTS CORP.

ORDER MADE AFTER APPLICATION

File No.: 46587-0002

CLARK WILSON LLP
900 – 885 West Georgia Street
Vancouver, BC V6C 3H1
604.687.5700

LAWYER: Katie G. Mak
(Direct #: 604.643.3105)