

SETTLEMENT AGREEMENT

Made as of the 30th day of September, 2021

Between

Steve Pinizzotto (the “**Plaintiff**”)

and

TILT Holdings, Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern

(collectively, the “**Defendants**”)

TABLE OF CONTENTS

SECTION 1 – RECITALS1

1.1 WHEREAS1

SECTION 2 – DEFINITIONS2

SECTION 3 – THE MOTIONS.....8

3.1 Nature of Motions8

**3.2 Phase I Motion (Certification and Notice) and Phase I Notice
 (Certification and Notice).....8**

**3.3 Phase II Motion (Settlement Approval) and Phase II Notice (Settlement
 Approval)9**

3.4 Certification and Leave to Proceed Without Prejudice9

3.5 Attornment10

3.6 Notice of Termination.....10

3.7 Report to the Court.....10

SECTION 4 – THE SETTLEMENT AMOUNT10

4.1 Payment of Settlement Amount10

4.2 Taxes on Interest11

SECTION 5 – DISTRIBUTION OF THE SETTLEMENT AMOUNT12

5.1 Distribution of the Settlement Amount.....12

SECTION 6 – EFFECT OF SETTLEMENT.....12

6.1 No Admission of Liability.....12

6.2 Agreement Not Evidence.....12

6.3 Restrictions on Further Litigation13

SECTION 7 – OPTING OUT13

7.1 Awareness of any Potential Opt-Outs.....13

7.2 Opt-Out Procedure14

7.3 Notification of Number of Opt-Outs15

SECTION 8 – TERMINATION OF THE AGREEMENT15

8.1 General.....15

**8.2 Effect of Exceeding the Opt-Out Threshold, Conditions Precedent and
 Right to Terminate.....17**

8.3 Distribution of Monies in the Escrow Account Following Termination.....17

8.4 Disputes Relating to Termination.....18

8.5 No Right to Terminate.....18

SECTION 9 – DETERMINATION THAT THE SETTLEMENT IS FINAL18

9.1 The Effective Date.....18

9.2 Transfer of the Escrow Account.....18

9.3 Dismissal of Action.....19

9.4 Media.....19

SECTION 10 – RELEASES AND JURISDICTION OF THE COURT19

10.1 Release of Releasees19

10.2 No Further Claims19

SECTION 11 – ADMINISTRATION	20
11.1 Appointment of the Claims Administrator.....	20
11.2 Claims Process.....	20
11.3 Conclusion of the Administration	21
SECTION 12 – THE PLAN OF DISTRIBUTION	21
SECTION 13 – THE FEE AGREEMENT AND CLASS COUNSEL FEES	21
13.1 Motion for Approval of Class Counsel Fees	21
13.2 Payment of Class Counsel Fees.....	22
SECTION 14 – MISCELLANEOUS	22
14.1 Motions for Directions	22
14.2 Claims Bar	22
14.3 Headings, etc.....	23
14.4 Governing Law.....	23
14.5 Entire Agreement.....	24
14.6 Binding Effect.....	24
14.7 Survival	24
14.8 Recitals and Schedules.....	25
14.9 Acknowledgements	25
14.10 Authorized Signatures	25
14.11 Counterparts	25
14.12 Confidentiality and Communications	26
14.13 Notice.....	26
SCHEDULE “A” – COMMON ISSUES	A-1
SCHEDULE “B” – PHASE I ORDER (CERTIFICATION AND NOTICE).....	B-1
SCHEDULE “C” – PLAN OF NOTICE	C-1
SCHEDULE “D” – PHASE I NOTICE (CERTIFICATION AND NOTICE)	D-1
SCHEDULE “E” – PHASE I PRESS RELEASE.....	E-1
SCHEDULE “F” – OBJECTION FORM	F-1
SCHEDULE “G” – OPT OUT FORM	G-1
SCHEDULE “H” – PHASE II ORDER (SETTLEMENT APPROVAL)	H-1
SCHEDULE “I” – PHASE II NOTICE (SETTLEMENT APPROVAL)	I-1
SCHEDULE “J” – PHASE II PRESS RELEASE.....	J-1
SCHEDULE “K” – PLAN OF DISTRIBUTION	K-1

SETTLEMENT AGREEMENT

Subject to the approval of the Court as provided herein, the Plaintiff and the Defendants agree that, in consideration of the promises and covenants set forth in this Agreement and upon the Phase II Order (Settlement Approval) becoming a Final Order, this Action will be settled and compromised on the terms and conditions contained in this Agreement.

SECTION 1 – RECITALS

1.1 WHEREAS

A. The Plaintiff commenced the Action alleging, among other things, that the Defendants made misrepresentations within the meaning of the *OSA*, with those misrepresentations alleged to have caused TILT's Securities to trade at artificially high prices during the Class Period;

B. The Defendants have denied, and continue to deny, each and every allegation of wrongdoing in the Action or at all and any and all claims in the Action or at all that the Plaintiff or any Class Member (i) has suffered any damage whatsoever; (ii) has been harmed in any way; or (iii) is entitled to any relief as a result of any conduct on the part of the Defendants, and the Defendants have pursued and would have continued to actively and diligently pursue affirmative defences and other defences had this Action not been settled;

C. The Plaintiff and the Defendants, through counsel, have engaged in hard-fought and extensive arm's-length settlement discussions and negotiations in respect of the Action for five months;

D. As a result, the Defendants and the Plaintiff have entered into this Agreement, which embodies all of the terms and conditions of the Settlement between the Defendants and the Plaintiff (individually and on behalf of the Class) subject to the approval of the Court;

E. The Plaintiff, with the benefit of advice from Class Counsel, has concluded that this Agreement, which resolves finally and completely the Action against all of the Defendants, is fair, reasonable and in the best interests of the Class based upon an analysis of the facts and law applicable to the issues in this Action, and taking into account factors including the burdens, complexities, risks and expense of continued litigation, including the determination of damages

alleged to have been suffered by the Class, any potential appeals, and the potential risks to recovery in continuing the Action;

F. The Defendants similarly have concluded that this Agreement is desirable in order to avoid the time, risk and expense of continuing with the litigation, including any potential appeals and any other present or future litigation arising out of the facts that gave rise to this Action, and to resolve finally and completely the claims advanced or that could have been advanced against them in this Action;

G. The Plaintiff and Class Counsel confirm that neither this Agreement, nor any statement made in the negotiation thereof, shall be deemed or construed to be an admission by or evidence against the Defendants or evidence of the truth of any of the Plaintiff's allegations against the Defendants;

H. The Plaintiff asserts that he is a suitable representative for the Class and will seek to be appointed as the representative plaintiff for the certified Class in this Action;

I. The Parties intend to, agree, and hereby do finally resolve this Action and all claims that were or could have been asserted in it, subject to the approval of the Court, without any admission of liability or wrongdoing whatsoever by the Defendants;

NOW THEREFORE in consideration of the agreements and releases in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Action be settled and dismissed on the merits with prejudice as against the Defendants, without costs to the Plaintiff, or to the Class he seeks to represent, or the Defendants, subject to the approval of the Court, on the following terms and conditions:

SECTION 2 – DEFINITIONS

For the purposes of this Agreement, including the Recitals and Schedules hereto, the following definitions shall have the meanings indicated below:

(1) **Action** means the action *Pinizzotto. v. TILT Holdings, Inc. et al.* brought in the Ontario Superior Court of Justice under Court File No. CV-20-00639799-00CP (Toronto).

(2) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiff or Class Counsel for the approval, implementation and operation of this Agreement, the costs of notices and claims administration of the Settlement, including the costs of publishing and delivering notices and the fees, disbursements and taxes paid to the Claims Administrator, but excluding Class Counsel Fees and Third Party Funding Obligations.

(3) **Agreement** means this agreement, including the Recitals and Schedules hereto.

(4) **Authorized Claimant** means any Class Member who has been approved for compensation by the Claims Administrator in accordance with the Plan of Distribution.

(5) **Claims Administrator** means the firm appointed by the Court to administer the Agreement, and any partners and employees of such firm.

(6) **Claims Bar Deadline** means the date by which each Class Member must file a Claim Form and all required supporting documentation with the Administrator which date shall be one hundred and twenty (120) days after the date on which the Phase II Notice (Settlement Approval) is first published.

(7) **Claim Form** means the electronic form or forms to be approved by the Court which, when completed and submitted in a timely manner to the Claims Administrator, enables a Class Member to apply for compensation pursuant to the Agreement.

(8) **Class or Class Members** means, other than Excluded Persons and Opt-Out Persons, collectively:

- (i) **Primary Market Sub-Class:** all persons, wherever they may reside or be domiciled, who acquired TILT's Securities in the Offering; and
- (ii) **Secondary Market Sub-Class:** all persons, wherever they may reside or be domiciled, who acquired TILT's Securities during the Class Period, other than the Primary Market Sub-Class.

(9) **Class Counsel** means Kalloghlian Myers LLP and Bates Barristers.

- (10) ***Class Counsel Fees*** means the fees, disbursements, costs, HST and other applicable taxes or charges of Class Counsel, as approved by the Court.
- (11) ***Class Period*** means the period from and including October 12, 2018 to the close of trading on May 1, 2019.
- (12) ***Common Issues*** means the common issue set out in Schedule “A” to this Agreement.
- (13) ***Court*** means the Ontario Superior Court of Justice.
- (14) ***CPA*** means the *Class Proceedings Act, 1992*, S.O. 1992. c. 6, as amended.
- (15) ***Defendants*** means TILT and the Individual Defendants.
- (16) ***Defendants’ Counsel*** means McCarthy Tétrault for TILT, Mark Herron, Michael Orr and Todd Halpern, and Fasken Martineau DuMoulin LLP for Alexander Coleman.
- (17) ***Effective Date*** means the date on which the Phase II Order (Settlement Approval) becomes a Final Order.
- (18) ***Eligible Securities*** means Securities purchased or otherwise acquired by a Class Member or Opt-Out Person during the Class Period.
- (19) ***Escrow Account*** means the interest bearing trust account with one of the Canadian Schedule 1 banks in Ontario initially under the control of McCarthy Tétrault LLP and then transferred to the control of the Claims Administrator.
- (20) ***Excluded Persons*** means the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the families of an Individual Defendant;
- (21) ***Final Order*** means any order of the Court contemplated by this Agreement from which any right of appeal has been exhausted, expired, or where no appeal lies.
- (22) ***Individual Defendants*** means Alexander Coleman, Mark Herron, Michael Orr, and Todd Halpern.

- (23) ***Non-Refundable Expenses*** means certain Administration Expenses stipulated in this Agreement to be paid from the Settlement Amount.
- (24) ***Offering*** means TILT's offering of shares by way of subscription agreement that closed on November 21, 2018.
- (25) ***Opt-Out Deadline*** means the date sixty (60) days after the date on which the Phase I Notice is first published on Class Counsel's website, and this Deadline shall be identified on Class Counsel's website;
- (26) ***Opt-Out Form*** means the document, as approved by the Court, that if properly completed by a Class Member and submitted to Class Counsel before the expiry of the Opt-Out Deadline, excludes that Class Member from the Class, the Action, and participation in the Settlement, as set out in Section 7.2, and shall generally be in accordance with the form at Schedule "G".
- (27) ***Opt-Out Person*** means any and all corporate entities or individual investors who would otherwise be Class Members and who submit a valid Opt-Out Form to Class Counsel by the Opt-Out Deadline.
- (28) ***Opt-Out Period*** means the period up to and including the Opt-Out Deadline, during which Opt-Out Forms may be submitted by Class Members who wish to opt-out of the Class, the Action and the Settlement.
- (29) ***Opt-Out Threshold*** means 15% of the total number of Eligible Securities required to be held by all Opt-Out Persons in order to trigger the Defendants' right to terminate this Agreement in accordance with Section 8.2.
- (30) ***OSA*** means the *Securities Act*, R.S.O. 1990, c. S.5, as amended.
- (31) ***Parties*** means the Plaintiff and the Defendants.
- (32) ***Phase I Motion (Certification and Notice)*** means the motion brought by the Plaintiff before the Court for the Phase I Order:

- (i) granting leave to proceed and certification of the Action as against the Defendants, for settlement purposes only; and
 - (ii) approving the form and dissemination of the Phase I Notice, including the procedure for submitting an Opt-Out Form.
- (33) **Phase I Notice (Certification and Notice)** means the forms of notice in English, in long form and in a form for Google and Facebook, to be provided to the Class advising of the Phase II Hearing, as approved by the Court at the Phase I Motion, which shall generally be in accordance with the notice at Schedule “D”.
- (34) **Phase I Order (Certification and Notice)** means the order that will be issued at the hearing of the Phase I Motion and shall generally be in accordance with the order at Schedule “B”.
- (35) **Phase II Hearing (Settlement Approval)** means the hearing of the motion to approve the Settlement.
- (36) **Phase II Motion (Settlement Approval)** means the motion brought by the Plaintiff in the Court for the Phase II Order (Settlement Approval) approving the Settlement and the Phase II Notice (Settlement Approval);
- (37) **Phase II Notice (Settlement Approval)** means notices in English to the Class of the Phase II Order (Settlement Approval), as approved by the Court on the Phase II Motion (Settlement Approval), which shall generally be in accordance with the notice at Schedule “I”.
- (38) **Phase II Order (Settlement Approval)** means the order made by the Court approving the Settlement, generally in the form of the order at Schedule “H”.
- (39) **Plaintiff** means Steve Pinizzotto.
- (40) **Plan of Distribution** means the plan, as approved by the Court, which shall generally be in accordance with the plan at Schedule “K”.

(41) **Plan of Notice** means the plan for disseminating the Phase I Notice (Certification and Notice) and Phase II Notice (Settlement Approval) to the Class, in a form satisfactory to the Plaintiff and the Defendants, all acting reasonably, and as approved by the Court, which shall generally be in accordance with the plan attached as Schedule “C”.

(42) **Released Claims** (or **Released Claim** in the singular) means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, derivative or otherwise in nature, whether personal or subrogated, including assigned claims, existing now or arising in the future, whether known or unknown, asserted or unasserted, regardless of the legal theory, arising from, related to or based on any allegations, transactions, facts, matters, occurrences, representations or omissions that were or could have been asserted in the Action, including without limitation, all claims relating in any way to the purchase, acquisition, sale, pricing, marketing or distributing of the Eligible Securities, or to any conduct alleged, or that could have been alleged, in the Action, including claims for damages, compensation, interest, costs, expenses, administration expenses (including Administration Expenses), penalties, Class Counsel Fees and lawyers’ fees, known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasers, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees or any one or more of the Releasees without limitation and any such claims that have been asserted, would have been asserted or could have been asserted, whether in Canada or elsewhere, as a result of the purchase of Eligible Securities during the Class Period.

(43) **Releasees** means the Defendants, their insurers and their respective past and present affiliates, subsidiaries, and all of their respective past and present directors, officers, partners, trustees, employees, servants, representatives, successors, assigns and their heirs, executors, administrators, successors and assigns, as the case may be, as well as their legal counsel in the Action.

(44) **Releasers** means, jointly and severally, individually and collectively, the Plaintiff, the Class Members (excluding the Opt-Out Persons), including any person having a legal and/or beneficial interest in the Eligible Securities purchased or acquired by these Class Members, and

their respective past and present directors, officers, employees, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be.

(45) **Securities** means common shares of TILT.

(46) **Settlement** means the settlement provided for in this Agreement.

(47) **Settlement Amount** means USD\$3,650,000, inclusive of the Administration Expenses, Class Counsel Fees, and all other costs or expenses related to the Action or the Settlement.

(48) **Third Party Funding Obligations** means any and all obligations owed by Plaintiff to Augusta Pool 1 Canada Limited, including pursuant to the terms of a litigation funding agreement between Augusta Pool 1 Canada Limited and the Plaintiff.

(49) **TILT** means TILT Holdings, Inc.

SECTION 3 – THE MOTIONS

3.1 Nature of Motions

(1) The Parties shall use their best efforts to implement the Agreement and to secure the prompt, complete and final dismissal of the Action with prejudice and without costs.

(2) Until the Phase II Order (Settlement Approval) becomes a Final Order or the termination of this Agreement, whichever occurs first, the Parties agree to hold in abeyance all steps in the Action, other than the motions provided for in this Agreement and such other matters required to implement the terms of this Agreement.

3.2 Phase I Motion (Certification and Notice) and Phase I Notice (Certification and Notice)

(1) The Plaintiff shall bring the Phase I Motion(Certification and Notice) as soon as reasonably possible following the execution of the Agreement. The Defendants shall consent to the Phase I Order (Certification and Notice) provided that it is consistent with the terms of this Agreement, and for the purposes of Settlement only.

(2) Following the determination of the Phase I Motion (Certification and Notice), the Phase I Notice (Certification and Notice) shall be published in accordance with the directions of the Court in the Phase I Order (Certification and Notice). All third party costs for publishing the Phase I Order (Certification and Notice) shall be Non-Refundable Expenses to be paid by the Defendants from the Settlement Amount..

3.3 Phase II Motion (Settlement Approval) and Phase II Notice (Settlement Approval)

(1) The Plaintiff shall thereafter bring the Phase II Motion (Settlement Approval) before the Court in accordance with its directions in the Phase I Order (Certification and Notice). The Defendants shall consent to the Phase II Order (Settlement Approval) sought in the Phase II Motion (Settlement Approval) (except as to Class Counsel Fees, on which the Defendants shall take no position), provided that it is consistent with the terms of this Agreement, and for the purposes of Settlement only.

(2) Upon the Phase II Order (Settlement Approval) becoming a Final Order, Class Counsel shall cause the Phase II Notice (Settlement Approval) to be published in accordance with the directions of the Court in the Phase II Order (Settlement Approval). Any third-party costs for publishing the Phase II Notice (Settlement Approval) shall be Non-Refundable Expenses to be paid by the Defendants from the Settlement Amount.

(3) The Plaintiff and the Defendants agree that the only common issue that the Plaintiff will seek to certify as against the Defendants is the Common Issues and the only class that the Plaintiff will assert is the Class.

3.4 Certification and Leave to Proceed Without Prejudice

(1) The Parties agree that the granting of leave to proceed and certification of the Action as a class proceeding in accordance with Sections 3.1 through 3.3 hereof is for the sole purpose of effecting the Settlement. If this Agreement is terminated as provided herein, the Phase I Order (Certification and Notice) shall be vacated or set aside to the extent of that Order granting leave to proceed and certifying this Action as a class proceeding for the purposes of implementing this Agreement, which shall be without prejudice to any position that any of the Parties may later take on any issue in the Action including in subsequent leave to proceed and certification

motions. In particular, the fact of the Defendants' consent to leave to proceed and certification for settlement purposes shall not be referenced in any way in the further prosecution of the Action, nor shall such consent be deemed to be an admission by the Defendants, or any of them, that the Plaintiff has met any of the requisite criteria for granting leave to proceed or certification of the Action as a class proceeding.

3.5 Attornment

(1) The Plaintiff, individually and on behalf of all Class Members, hereby attorns to the jurisdiction of the Court in the Action, regardless of their province or territory or country of residence or where he/she/it purchased their Securities during the Class Period.

3.6 Notice of Termination

(1) If this Agreement is terminated after the Phase I Notice (Certification and Notice) has been published and disseminated, a notice of termination will be given to the Class. Class Counsel will cause the notice of termination, in a form approved by the Court, to be published and disseminated as the Court directs. Any third-party costs for publishing a notice of termination shall be paid as directed by the Court.

3.7 Report to the Court

(1) After publication and dissemination of the Phase I Notice (Certification and Notice) and the Phase II Notice (Settlement Approval) as required by this Section, Class Counsel shall file with the Court an affidavit confirming publication and dissemination in accordance with the operative Court Order.

SECTION 4 – THE SETTLEMENT AMOUNT

4.1 Payment of Settlement Amount

(1) Within ten (10) days of execution of this Agreement, the Defendants shall cause the Settlement Amount to be paid into the Escrow Account until the Escrow Account is transferred to the Claims Administrator. The costs incurred in connection with establishing and operating the Escrow Account shall be Non-Refundable Expenses.

(2) Neither the Defendants nor the Defendants' insurers shall have any obligation to pay any amount to the Plaintiff, the Class Members, the Claims Administrator, or Class Counsel other than the Settlement Amount with respect to this Agreement or the Action for any reason whatsoever, including any amount for damages, interest, legal fees (including Class Counsel Fees), Third Party Funding Obligations, disbursements, taxes of any kind, costs and expenses relating in any way to the Action, including as described in Sections 3.2(2) and 3.3(2), the Released Claims, the Settlement and any Administration Expenses, if any.

(3) The Claims Administrator shall provide an accounting to the Court for all payments made from the Escrow Account. In the event this Agreement is terminated, the Claims Administrator shall deliver an accounting to the Court and Defendants' Counsel no later than ten (10) days after termination.

(4) No amount shall be paid out from the Escrow Account by the Claims Administrator except in accordance with this Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

4.2 Taxes on Interest

(1) Except as expressly provided in this Agreement, any interest earned on the Settlement Amount shall accrue to the benefit of the Class and shall become and remain part of the Escrow Account.

(2) Except as provided in section 4.2(3), all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the responsibility of the Class. Class Counsel and the Claims Administrator shall be responsible for fulfilling all applicable tax reporting and payment requirements arising from the Settlement Amount in the Escrow Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amount shall be paid from the Escrow Account.

(3) The Defendants shall have no responsibility to make any filings relating to the Escrow Account, to pay tax on any income earned by the Settlement Amount, or to pay any taxes on the monies in the Escrow Account, unless this Agreement is terminated, in which case any interest

earned on the Settlement Amount in the Escrow Account shall be paid to the Defendants or their insurers, as may be directed, who in such case, shall be responsible for the payment of any applicable taxes on such interest not previously paid by Class Counsel or the Claims Administrator.

SECTION 5 – DISTRIBUTION OF THE SETTLEMENT AMOUNT

5.1 Distribution of the Settlement Amount

(1) In conjunction with the Phase II Motion (Settlement Approval, Class Counsel will make an application seeking an order from the Court as to the distribution of the Settlement Amount in accordance with the Plan of Distribution. Such distribution shall include accrued interest and be net of any Court approved deductions including Class Counsel Fees and Administration Expenses.

(2) The Defendants shall not have any responsibility, financial obligations or liability whatsoever with respect to the investment, distribution or administration of monies in the Escrow Account, including but not limited to Administration Expenses and Class Counsel Fees.

SECTION 6 – EFFECT OF SETTLEMENT

6.1 No Admission of Liability

(1) Whether or not this Agreement is terminated, neither this Agreement nor any and all negotiations, discussions and communications associated with this Agreement shall be deemed, construed or interpreted as a concession or admission of fault, wrongdoing, liability or damage by the Releasees, or as a concession or admission by the Releasees of the truthfulness or merit of any claim or allegation asserted in the Action. In fact, the Defendants continue to vigorously deny and contest the allegations made in the Action.

6.2 Agreement Not Evidence

(1) Whether or not the Agreement is terminated, neither the Agreement, nor anything contained herein, nor any of the negotiations, documents, discussions, or proceedings associated with the Agreement, nor any related document, nor any other action taken to carry out the

Agreement, shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, quasi-criminal or administrative action or proceeding.

(2) Notwithstanding section 6.2(1), the Agreement may be referred to or offered as evidence in a proceeding to approve or enforce the Agreement, to defend against the assertion of Released Claims, and as otherwise required by law.

6.3 Restrictions on Further Litigation

(1) Class Counsel, and anyone currently or hereafter employed by, or a partner with, Class Counsel agree not to, directly or indirectly, participate or be involved in, or in any way assist with respect to any claim or action commenced by any person, including but not limited to any putative class member who opts-out of the Settlement, in relation to any claim they have or may in the future assert, which relates to or arises from the Released Claims.

(2) Class Counsel is prohibited from divulging to anyone for any purpose any information obtained in the course of the negotiation, preparation or execution of this Agreement, without the prior written consent of the Defendants or unless ordered to do so by a court.

SECTION 7 – OPTING OUT

7.1 Awareness of any Potential Opt-Outs

- (1) The Plaintiff and Class Counsel represent and warrant that:
- (a) they are unaware of any Class Member who has expressed an intention to opt-out of the Class;
 - (b) they are unaware of any Class Member who has expressed an intention to object to this Settlement; and
 - (c) they will not encourage or solicit any Class Member to opt-out of the Class.

7.2 Opt-Out Procedure

- (1) Each Class Member who wishes to exclude him, her, them or itself from the Class must submit a properly completed Opt-Out Form along with all required supporting documents to Class Counsel on or before the Opt-Out Deadline. An Opt-Out form shall consist of:
 - (a) a statement of intention to opt out of the Action, signed by the Class Member or a person authorized to bind the Class Member;
 - (b) a listing of all purchases and sales of Eligible Securities during the Class Period;
 - (c) the total number of Eligible Securities held at the end of the Class Period;
 - (d) supporting documents to evidence such transactions, in the form of trade confirmations, brokerage statements, or other transaction records or suitable alternative documentation as may be agreed between the Class Member and Class Counsel; and
 - (e) contact information for the Class Member, including name, address, telephone number and email address.
- (2) In order to remedy any deficiency in the completion of an Opt-Out Form, Class Counsel may require and request that additional information be submitted by a Class Member who submits an Opt-Out Form.
- (3) If a Class Member fails to submit a properly completed Opt-Out Form and/or all required supporting documents to Class Counsel, or fails to remedy any deficiency, by the Opt-Out Deadline, the Class Member shall not have opted out of the Action, subject to any order of the Court to the contrary, and will in all other respects be subject to, and bound by, the provisions of this Agreement and the releases contained herein.
- (4) The Opt-Out Deadline will not be extended unless the Court orders otherwise.

(5) Opt-Out Persons will be excluded from any and all rights and obligations arising from the Settlement. Class Members who do not opt-out shall be bound by the Settlement and the terms of this Agreement.

7.3 Notification of Number of Opt-Outs

(1) After the Opt-Out Deadline and prior to the hearing of the Approval Motion, Class Counsel shall report to the Court and the Defendants the number of Eligible Securities held by each Opt-Out Person, a summary of the information delivered by each Opt-Out Person, the total number of Eligible Securities held by all Opt-Out Persons, and any supporting documentation.

(2) Class Counsel shall also provide to Defendants' Counsel copies of all the Opt-Out Forms submitted by Opt-Out Persons at the same time as the report provided for in Section 7.3(1).

SECTION 8 – TERMINATION OF THE AGREEMENT

8.1 General

(1) The Agreement shall, without notice, be automatically terminated if the Settlement is not approved by the Court or if the Phase II Order (Settlement Approval) is reversed on appeal and the reversal becomes final.

(2) The Defendants may terminate this Agreement, on notice to the Plaintiff and the Claims Administrator, in the event that:

- (a) the Court declines to grant the Phase I Order (Certification and Notice) and such order becomes a Final Order;
- (b) the Court grants the Phase I Order (Certification and Notice) but such order is reversed on appeal and the reversal order becomes a Final Order;
- (c) the Court grants the Phase I Order (Certification and Notice) or the Phase II Order (Settlement Approval) in a form that is not satisfactory to the Defendants, acting reasonably; or

- (d) the Phase II Order (Settlement Approval) does not finally dismiss the Action against all the Defendants with prejudice and without costs.
- (3) An approval or award of Class Counsel Fees is not a condition of this Agreement and the failure of the Court to approve the request in full by Class Counsel for Class Counsel Fees shall not be grounds for any Party to terminate this Agreement.
- (4) In the event the Agreement is terminated in accordance with the terms of this section:
- (a) the Plaintiff and the Defendants will be restored to their respective positions in the Action prior to the execution of the Agreement;
 - (b) the Agreement will have no further force and effect and no effect on the rights of the Plaintiff or the Defendants;
 - (c) the Agreement will not be introduced into evidence or otherwise referred to in any litigation against the Defendants;
 - (d) the Plaintiff and the Defendants shall consent to an Order vacating or setting aside the Phase I Order (Certification and Notice) to the extent of the order granting leave to proceed and certifying this Action as a class proceeding for the purposes of implementing this Agreement, and such order shall include a declaration that:
 - (i) the prior consent granting of leave to proceed and certification of this Action for settlement purposes shall not be deemed to be an admission by the Defendants that the Action met any of the criteria for granting leave to proceed or certification as a class proceeding; and
 - (ii) no Party to this Action and no other person may rely on upon the fact of the prior consent granting of leave to proceed and certification for any purpose whatsoever; and
 - (e) the Settlement Amount will be returned to the Defendants, in accordance with Section 8.2.

(5) Notwithstanding the provisions of section 8.1(4)(b), if the Agreement is terminated, the provisions of this section and sections 2, 3.4, 3.6, 3.7, 4.1(3), 4.2(3), Section 6, 7.1, 10.2(1), 10.2(4), and Section 14 and the recitals and schedules applicable thereto shall survive termination and shall continue in full force and effect.

8.2 Effect of Exceeding the Opt-Out Threshold, Conditions Precedent and Right to Terminate

(1) Notwithstanding any other provision in this Agreement, any of the Defendants may, in their sole and unfettered discretion, elect to terminate the Agreement if the total number of Eligible Securities held by Opt-Out Persons exceeds the Opt-Out Threshold, provided that notice of the election to terminate is provided by Defendants' Counsel to Class Counsel within ten (10) business days of Class Counsel notifying Defendants' Counsel of the number of Opt-Out Persons pursuant to section 7.3, after which date the right to terminate the Agreement will have expired.

(2) If the Opt-Out Threshold is not exceeded, the Defendants' right to terminate this Agreement pursuant to the provisions of this Section is inoperative and of no force and effect.

8.3 Distribution of Monies in the Escrow Account Following Termination

(1) The Claims Administrator shall account to the Court and the Parties for the amounts maintained in and disbursed from the Escrow Account. If the Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

(2) If the Agreement is terminated, the Defendants shall, within thirty (30) days after termination, apply to the Court, on notice to the Plaintiff and the Claims Administrator, for an order:

- (a) declaring the Agreement null and void and of no force or effect except for the provisions of those sections listed in section 8.1(5);
- (b) requiring the notice of termination to be sent out to the Class Members and, if so, the form and method of disseminating such a notice;

- (c) requesting an order setting aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement;
 - (d) authorizing the payment of all costs reasonably incurred by the Claims Administrator for performing the services required to implement the Settlement; and
 - (e) authorizing the payment of all funds in the Escrow Account, including accrued interest to the Defendants.
- (3) Subject to section 8.4, the Parties shall consent to the orders sought in any motion made by the Defendants pursuant to section 8.3(2).

8.4 Disputes Relating to Termination

- (1) If there are any disputes about the termination of the Agreement, the Court shall determine any dispute by motion on notice to all Parties.

8.5 No Right to Terminate

- (1) For greater certainty, no dispute or disagreement among the Plaintiff and/or members of the Class or any of them about the proposed or ordered distribution of the Settlement Amount shall give rise to a right to terminate this Agreement.

SECTION 9 – DETERMINATION THAT THE SETTLEMENT IS FINAL

9.1 The Effective Date

- (1) The Settlement shall be considered final on the Effective Date.

9.2 Transfer of the Escrow Account

- (1) Within five (5) days after the Effective Date, McCarthy Tétrault LLP shall transfer the Escrow Account to the Administrator.

9.3 Dismissal of Action

(1) On the Effective Date, the Action shall be dismissed without costs and with prejudice.

9.4 Media

(1) The Plaintiff shall be entitled to issue a single press release after the Effective Date with the wording to be mutually agreed upon by counsel to the Parties. No notice of the fact of the Settlement, the terms of the Settlement or the Settlement Amount, shall otherwise be communicated by any Party or their counsel until that date other than in Court filings or as authorized by the Court.

SECTION 10 – RELEASES AND JURISDICTION OF THE COURT

10.1 Release of Releasees

As of the Effective Date, in consideration of payment of the Settlement Amount and for other valuable consideration set forth in the Agreement, the Releasors forever and absolutely release, waive and discharge the Releasees from the Released Claims.

10.2 No Further Claims

(1) As of the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

(2) The Releasors and Class Counsel acknowledge that they may subsequently discover facts in addition to, or different from those they now know, but nonetheless agree that section 10.2(1) applies regardless of the subsequent discovery of facts different from those they are aware of on the Effective Date. By means of the Settlement, the Releasors waive any right they might have under the law, common law, civil law, in equity or otherwise, to disregard or avoid the release and discharge of the unknown claims for any reason whatsoever and expressly relinquish any

such right and each Class Member shall be deemed to have waived and relinquished such right. Furthermore, the Releasors agree to this waiver of their own volition, with full knowledge of its consequences and that this waiver was negotiated and constitutes a key element of the Settlement.

(3) As of the Effective Date, each of the Releasees forever and absolutely remise, release, waive and forever discharge the other Releasees, their successors and assigns of and from all claims, demands, actions, costs, and debts whatsoever in law or in equity arising from or relating to the Released Claims. For greater clarity, nothing herein shall be taken as, or shall constitute, a release by any insured or insurer of rights he, she, they, or it may have or choose to assert under any applicable policies of insurance.

(4) As of the Effective Date, Class Counsel represent that they do not represent the Plaintiff or any other parties in any other proceeding related to any matter at issue in this Action.

SECTION 11 – ADMINISTRATION

11.1 Appointment of the Claims Administrator

(1) The Court will appoint the Claims Administrator to serve until further order of the Court, to implement the Agreement and the Plan of Distribution, on the terms and conditions and with the powers, rights, duties and responsibilities set out in the Agreement and in the Plan of Distribution.

(2) If the Agreement is terminated, the Administrator's fees, disbursements and taxes will be paid as set out in section 8.3(2)(d).

(3) If the Agreement is not terminated, the Court will approve and fix the Administrator's compensation on motion by the Plaintiff.

11.2 Claims Process

(1) In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Claims Administrator, in accordance with the provisions of the Plan of Distribution, on or before the Claims Bar Deadline, and any Class Member who fails to

do so shall not share in any distribution made in accordance with the Plan of Distribution unless the Court orders otherwise.

11.3 Conclusion of the Administration

(1) Upon the conclusion of the administration, or at such other time(s) as the Court directs, on motion by Class Counsel, on notice to the Defendants, the Claims Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed including a full accounting of its own invoices and obtain an order from the Court discharging it as Claims Administrator.

SECTION 12 – THE PLAN OF DISTRIBUTION

(1) The Defendants shall have no obligation to consent to the Court’s approval of the Plan of Distribution.

(2) The Defendants shall not have standing to make any submissions to the Court about the Plan of Distribution.

SECTION 13 – THE FEE AGREEMENT AND CLASS COUNSEL FEES

13.1 Motion for Approval of Class Counsel Fees

(1) At the Phase II Hearing (Settlement Approval), Class Counsel may seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for additional Class Counsel Fees incurred thereafter as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

(2) The Defendants acknowledge that they will be served with the motion materials for the approval of Class Counsel Fees and the Defendants and Defendants’ Counsel are entitled to attend any motion for approval of Class Counsel Fees, but they will have no involvement in the approval process and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested by the Court.

(3) The procedure for and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein and may be considered by the Court separately from its consideration of the fairness, reasonableness and adequacy of the Settlement provided for herein.

(4) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Agreement or affect or delay the finality of the Phase II Order (Settlement Approval) and the Settlement of the Action as provided herein.

13.2 Payment of Class Counsel Fees

(1) Class Counsel Fees and Administration Expenses may only be paid out of the Escrow Account after the Effective Date.

(2) The Defendants shall not be liable for any fees, disbursements or taxes of any of Class Counsel's, the Plaintiff's, the Claim Administrator's, or Class Members' respective lawyers, experts, advisors, agents, or representatives.

SECTION 14 – MISCELLANEOUS

14.1 Motions for Directions

(1) Any one or more of the Parties, Class Counsel, or the Claims Administrator may apply to the Court for directions in respect of any matter in relation to the Agreement and the distribution of the Settlement Amount.

(2) All motions contemplated by the Agreement shall be on notice to the Parties. For certainty, notice need not be provided to Class Members in the event of a motion unless so required by the Court.

14.2 Claims Bar

(1) Except for the obligation to pay the Settlement Amount, the Defendants shall have no responsibility for and no liability whatsoever with respect to the administration or

implementation of the Agreement, including, without limitation, the distribution of the Settlement Amount.

14.3 Headings, etc.

- (1) In the Agreement:
 - (a) the division of the Agreement into sections and the insertion of section headings are for convenience of reference only and shall not affect the construction or interpretation of the Agreement;
 - (b) the terms “the Agreement”, “herein”, “hereto” and similar expressions refer to the Agreement and not to any particular section or other portion of the Agreement;
and
 - (c) “person” means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.
- (2) In the computation of time in the Agreement, except where a contrary intention appears:
 - (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
 - (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

14.4 Governing Law

- (1) The Agreement shall be governed by the laws of the Province of Ontario.
- (2) The Parties agree that the Court shall exercise jurisdiction with respect to implementation, administration, interpretation and enforcement of the terms of this Agreement.

14.5 Entire Agreement

(1) The Agreement, including the schedules, constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of the Agreement, unless expressly incorporated herein.

(2) The Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

(3) The Agreement and the underlying Settlement have been the subject of negotiations and many discussions among the Parties. Each of the undersigned has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of the Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of the Agreement.

14.6 Binding Effect

(1) If the Settlement is approved by the Court and becomes final, the Agreement shall be binding upon, and enure to the benefit of the Plaintiff, the Class Members, the Defendants, the Releasees, the Releasors and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

14.7 Survival

(1) The representations and warranties contained in the Agreement shall survive its execution and implementation, except as provided for in section 8.1(5).

14.8 Recitals and Schedules

(1) The recitals and schedules to the Agreement are material and integral parts hereof and are fully incorporated into, and form part of, the Agreement.

14.9 Acknowledgements

- (1) Each of the Parties hereby affirms and acknowledges that:
- (a) he, she, or its representative has the authority to bind the Party with respect to the matters set forth herein and has read and understood the Agreement;
 - (b) the terms of the Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel; and
 - (c) he, she, or its representative fully understands each term of the Agreement and its effect.
 - (d) he, she, or it agrees to use best efforts to satisfy all conditions precedent to the Effective Date.

14.10 Authorized Signatures

(1) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, the Agreement on behalf of the Party for whom he or she is signing.

14.11 Counterparts

(1) The Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same Agreement, and a signature delivered by email or other electronic means, shall be deemed an original signature for purposes of executing the Agreement.

14.12 Confidentiality and Communications

(1) In any public discussion of, comment on, press release or other communication of any kind (with the media or otherwise) about this Agreement, the Plaintiff and Class Counsel agree and undertake to describe the Settlement and the terms of this Agreement as fair, reasonable and in the best interests of the Class.

(2) The Parties specifically agree that the Parties shall not make any public statements, comments or any communications of any kind about any negotiations or information exchanged as part of the settlement process. The Parties' obligations under this subsection shall not prevent them, or any of them, from making any disclosure or comment for the purposes of: (i) complying with any order of the Court; (ii) complying with this Agreement; (iii) dealing with their insurer; or (iv) complying with applicable securities or tax legislation.

14.13 Notice

(1) Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with the Agreement, or any other report or document to be given by any of the Parties to any of the other Parties, shall be in writing and delivered personally, by e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid as follows:

For the Plaintiff and Class Counsel to:

Garth Myers and Serge Kalloghlian
Kalloghlian Myers LLP
250 Yonge Street, Suite 2201
Toronto, ON M5B 2L7

Telephone: 647.969.4472
Email: garth@kalloghlianmyers.com

Telephone: 647.812.5615
Email: serge@kalloghlianmyers.com

Paul Bates
c/o Kalloghlian Myers LLP

Telephone: 416.869.9898 x101
Email: pbates@batesbarristers.com

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto , ON , M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto

TILT Holdings, Inc.

DocuSigned by:

Gary Santo

866E0242EA5447D...

Name: Gary F. Santo, Jr.

Title: Chief Executive Officer

Alexander Coleman

Mark Herron

Michael Orr

Todd Halpern

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto , ON , M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto

TILT Holdings, Inc.

By: _____

Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

Alexander Coleman



Mark Herron

Michael Orr

Todd Halpern

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto , ON , M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto

TILT Holdings, Inc.

By: _____

Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

Alexander Coleman

Mark Herron

M. Herron

Michael Orr

Todd Halpern

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto, ON, M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto

TILT Holdings, Inc.

By: _____

Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

Alexander Coleman

Mark Herron

Michael Orr



Todd Halpern

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto , ON , M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto

TILT Holdings, Inc.

By: _____

Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

Alexander Coleman

Mark Herron

Michael Orr

Todd Halpern

DocuSigned by:

Todd Halpern

3BA4D581F7624F6...

For TILT Holdings, Inc., Mark Herron, Michael Orr and Todd Halpern:

Dana Peebles and Miranda Lam
McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Telephone: 416.601.7839
Email: dpeebles@mccarthy.ca

Telephone: 604-643-7185
Email: mlam@mccarthy.ca

For Alexander Coleman:

Paul Martin
Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto , ON , M5H 2T6

Telephone: 416.865.4439
Email: pmartin@fasken.com

The Parties have executed the Agreement as of the date on the cover page.

Steve Pinizzotto



TILT Holdings, Inc.

By: _____
Name: Gary F. Santo, Jr.
Title: Chief Executive Officer

Alexander Coleman

Mark Herron

Michael Orr

Todd Halpern

SCHEDULE "A" – COMMON ISSUES

Did the Impugned Documents contain misrepresentations?

SCHEDULE “B” – PHASE I ORDER (CERTIFICATION AND NOTICE)

Court File No.: CV-20-00639799-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) , THE DAY
)
JUSTICE BENJAMIN T. GLUSTEIN) OF , 2021

B E T W E E N:

STEVE PINIZZOTTO

Plaintiff

- and -

TILT HOLDINGS INC., ALEXANDER COLEMAN, MARK HERRON, MICHAEL ORR and
TODD HALPERN

Defendants

Proceeding Under the *Class Proceedings Act, 1992*

ORDER

(Motion for certification pursuant to the *Class Proceedings Act, 1992* for settlement purposes only and to set a date for the settlement approval motion)

THIS MOTION, made by the Plaintiff for, *inter alia*, an Order granting the Plaintiff leave of the Court for settlement purposes only pursuant to s. 138.8(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the “*OSA*”), certifying this action as a class proceeding for settlement purposes only pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 (the “*CPA*”), setting the date for the hearing of the representative plaintiff’s motion for settlement approval and

approval of Class Counsel fees and ancillary relief (the “Approval Motion”), and approving the form, content, and method of dissemination of the Notices of Certification and Settlement Approval Hearing (the “Notices”), was read this day at the courthouse located at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

ON READING the materials filed, including the Settlement Agreement attached to this Order as Schedule "●" (without schedules) (the "Settlement Agreement"),

AND ON HEARING the submissions of counsel for the parties,

AND ON BEING ADVISED that the Defendants consent to this Order, for the purposes of settlement only,

1. **THIS COURT ORDERS AND DECLARES** that, except to the extent they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT ORDERS** that the Notices, being a Phase I Long-Form Notice of Certification and Settlement Approval Hearing (the “Long Form Notice”), the Phase I Press Release, and a Phase I Google/Facebook Notice on Google and Facebook are hereby approved substantially in the forms attached hereto as Schedules “●” and “●”, respectively.
3. **THIS COURT ORDERS** that the Plan of Notice as generally set out in Schedule “●” is hereby approved.
4. **THIS COURT ORDERS** that leave of the Court is granted, pursuant to s. 138.8 of the *OSA*, for settlement purposes only, to commence an action under s. 138.3 of the *OSA* and, if necessary, under the concordant provisions of the other provincial securities statutes (the “Equivalent Securities Acts”) as against the Defendants.
5. **THIS COURT ORDERS** that this action is certified as a class proceeding for settlement purposes only pursuant to sections 2, 5, and 29 of the *CPA*, for a “**Class Period**” from and including October 12, 2018 to the close of trading on May 1, 2019.

6. **THIS COURT ORDERS** that the certified cause of action for settlement purposes against all of the Defendants is under sections 130.1 and. 138.3 of the *OSA* and the Equivalent Securities Acts.
7. **THIS COURT ORDERS** that the class that is certified, for the purposes of settlement only (the “Class”), is defined as collectively:
 - (ii) **Primary Market Sub-Class:** all persons, wherever they may reside or be domiciled, who acquired TILT’s Securities in the Offering; and
 - (iii) **Secondary Market Sub-Class:** all persons, wherever they may reside or be domiciled, who acquired TILT’s Securities during the Class Period, other than the Primary Market Sub-Class.

other than “**Excluded Persons**” meaning the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the families of an Individual Defendant.
8. **THIS COURT ORDERS** that Steve Pinizzotto is appointed as the representative plaintiff for the Class.
9. **THIS COURT ORDERS** that any Class Members who wish to exclude themselves from this Action can do so by submitting to Class Counsel an approved Opt-Out Form, substantially in the form attached hereto as Schedule “●” received by email on or before the date that is sixty (60) days from the date of the first publication of the Long-Form Notice on Class Counsel’s website (the “Opt-Out Deadline”).
10. **THIS COURT ORDERS** that the method of dissemination for the Opt-Out Form shall be consistent with the Plan of Notice substantially in the form attached as Schedule “●”, and that such Plan of Notice is hereby approved.
11. **THIS COURT ORDERS** that any putative Class Members who validly opt-out of the Action by the Opt-Out Deadline, in accordance with paragraph 9 of this Order, are not

bound by the Agreement and shall no longer participate in or have the opportunity in the future to participate in this Action or the Agreement.

12. **THIS COURT ORDERS** that, after the Opt-Out Deadline and prior to the hearing of the Approval Motion, Class Counsel shall report to the Court and provide counsel for the Defendants with a report containing the names of each person who has validly opted out of the Action, the reason for the opt-out (if known), a summary of the information delivered by such persons, and any supporting documentation.
13. **THIS COURT ORDERS** that this Order is binding upon each Class Member who does not validly opt-out from this Action on or prior to the Opt-Out Deadline in accordance with paragraph 9 of this Order, including those persons who are minors or mentally incapable, and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with in respect of the Action.
14. **THIS COURT ORDERS** that the hearing of the Approval Motion shall take place on ●, 2021.
15. **THIS COURT ORDERS** that any Class Members who wish to file with the Court an objection to or comment on the proposed settlement or the request for approval of Class Counsel fees and ancillary relief, shall email a statement to Class Counsel in the form attached as Schedule “●” of this Order at the address indicated in the approved Notices by no later than ●, 2021.
16. **THIS COURT ORDERS** that only Class Members who email a statement indicating an objection to or comment on the proposed settlement or the request for approval of Class Counsel fees and ancillary relief, in accordance with paragraph 15, may participate in the hearing of the Approval Motion.
17. **THIS COURT ORDERS** that Kalloghlian Myers LLP is appointed, until further order of the Court, Claims Administrator to manage the Escrow Account in accordance with the terms of the Agreement, and shall account to the Court and to the Parties for all payments it makes from the Escrow Account in accordance with the Agreement.

18. **THIS COURT DECLARES** that the Parties may apply to this Court for directions in respect of the implementation of this Order or of the hearing of the Approval Motion, if necessary.

19. **THIS COURT ORDERS** that this Order shall be set aside, declared null and void, and be of no force and effect on a subsequent motion made on notice to the Parties in the event that the Agreement is terminated in accordance with its terms.

Date: October ____, 2021

(Signature of judge, officer or registrar)

SCHEDULE “C” – PLAN OF NOTICE

In respect of the Phase I Notice (Certification and Notice) and hearing of the Phase I Motion (Certification and Notice):

The notice of the opt out period and the hearing for approval of the settlement, class counsel fees, disbursements and tax, the representative plaintiff’s honorarium and the plan of distribution shall be disseminated as follows:

1. posting the Phase I Long Form Notice on Kalloghlian Myers LLP’s website;
2. sending a copy of the Phase I Long Form Notice to all persons who have contacted Kalloghlian Myers LLP about this class action;
3. issuing the Phase I Press Release; and
4. posting the Phase I Google/Facebook Notice on Google and Facebook, with a collective budget of \$20,000.

In respect of the Phase II Notice (Settlement Approval) and hearing of the Phase II Motion (Settlement Approval):

The notice of settlement approval and the opening of the claims period shall be disseminated as follows:

1. posting the Phase II Long Form Notice on Kalloghlian Myers LLP’s website;
2. sending a copy of the Phase II Long Form Notice to all persons who have contacted Kalloghlian Myers LLP about this class action;
3. issuing the Phase II Press Release; and
4. posting the Phase II Google/Facebook Notice on Google and Facebook, with a collective budget of \$20,000.

SCHEDULE “D” – PHASE I NOTICE (CERTIFICATION AND NOTICE)

PHASE I LONG FORM NOTICE

**PROPOSED SETTLEMENT OF
TILT HOLDINGS INC. CLASS ACTION**

**Did you acquire TILT Holdings Inc. securities
between October 12, 2018 and May 1, 2019?**

A proposed settlement may affect you. Please read this notice carefully.

A proposed class action was commenced against TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern on behalf of all persons who acquired securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019.

The parties have reached a proposed settlement of the class action which is subject to approval by the Court. This notice provides information about this proposed settlement and related matters and how to opt out of the class action.

Your legal rights are affected even if you do nothing. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS PROPOSED SETTLEMENT

OPT OUT: Submit an opt out form to **exclude** yourself from the class action and the settlement. You will be **unable to participate** in the proposed settlement if you opt out.

OBJECT: Remain in the class action but write to the court to express your views if you do not like the proposed settlement.

GO TO A HEARING: Ask to speak by Zoom Videoconference in the Ontario Superior Court of Justice about the proposed settlement on ●.

DO NOTHING: Remain in the class action, do not object to or opt out of the proposed settlement, and receive benefits in the settlement if entitled.

These rights and options and the deadlines to exercise them are explained in this notice.

What This Notice Contains

BASIC INFORMATION

1. Why did I get this notice?
2. What is a class action lawsuit?
3. What does this lawsuit complain about?
4. Why is there a proposed settlement?

WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

5. Who is included in the proposed settlement?
6. What if I am not sure whether I am included in the proposed settlement?
7. How do I exclude myself from the class action and the proposed settlement?

PROPOSED SETTLEMENT BENEFITS?

8. What does the proposed settlement provide?
9. How will the lawyers be paid?
10. When will I receive my payment?
11. What am I giving up in the class action and the proposed settlement?

HOW TO RECEIVE A PAYMENT?

12. How can I receive a payment?
13. How will payments be calculated?
14. What if my claim is denied?

THE LAWYERS REPRESENTING YOU

15. Who are the lawyers for the plaintiff?

SUPPORTING OR OBJECTING TO THE PROPOSED SETTLEMENT

16. How do I tell the court if I do not like the proposed settlement?

THE APPROVAL HEARING

17. When and where will the court decide whether to approve the proposed settlement?
18. Do I have to attend the hearing?
19. May I speak at the hearing?
20. What if I do nothing?

GETTING MORE INFORMATION

21. How do I get more information?

BASIC INFORMATION

1. Why did I get this notice?

The Ontario Superior Court of Justice authorized this notice to let you know about the certification of the class action against TILT Holdings Inc., the proposed settlement and ancillary matters, and about all of your options before the court decides whether to give final approval to the proposed settlement. This notice explains the class action lawsuit, the proposed settlement, and your legal rights.

2. What is a class action lawsuit?

In a class action, one or more people called the “**Representative Plaintiff(s)**” sue on behalf of people who have similar claims. All of these people are collectively called the “**Class**” or “**Class Members**.” The court resolves the issues for everyone affected, except for those who exclude themselves from the lawsuit by opting out (explained in question 7 below).

3. What does this lawsuit complain about?

This lawsuit complains that TILT Holdings Inc. made misrepresentations in its public disclosure, and that when these misrepresentations were publicly corrected, persons who acquired securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019 suffered damages. None of these claims have been proven in court. **The Defendants do not admit any wrongdoing or liability.**

4. Why is there a proposed settlement?

The Representative Plaintiff and TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern have agreed to a proposed settlement agreement. By agreeing to the proposed settlement, the parties avoid the costs and uncertainty and delay of proceeding to a trial, and Class Members receive the benefits described in this notice and in the agreement. It also means that the Class Members will not need to testify in court. The Representative Plaintiff and his lawyers think the proposed settlement is in the best interests of all Class Members.

WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

5. Who is included in the proposed settlement?

The proposed settlement includes:

All persons who acquired TILT Holdings Inc. securities between October 12, 2018 and May 1, 2019 (the “**Class Members**”)

If the settlement is approved, all Class Members except those who validly opt out of the class action will be benefit from and be bound by the proposed settlement and will be covered by the

releases in the proposed settlement. If you do not wish to be included in the class action and the settlement, you can opt out of the class action. More information about opting out of the class action is set out in question 7.

6. What if I am not sure whether I am included in the class action and the proposed settlement?

If you are not sure whether you are included in the proposed settlement, you may email tilt@kalloghlianmyers.com.

7. How do I exclude myself from the class action and the proposed settlement?

You can exclude yourself from the class action and from the proposed by “**opting out**”. Opting out means you will not be bound by any order made in this class action and **will not be eligible for compensation from the proposed settlement**. You will be able to hire and pay for your own lawyer and commence your own lawsuit. If you want to commence your own lawsuit, you must Opt Out. If you Opt Out, you must abide by all applicable limitation periods and should consult a lawyer. You can opt out of the class action by filling out an Opt Out Form and providing all required information and documentation. The deadline for opting out of this class action is ●. A copy of the Opt Out Form is available here: ●.

PROPOSED SETTLEMENT BENEFITS

8. What does the proposed settlement provide?

If approved, the settlement provides compensation of US\$3.65 million. More details are in a document called the Settlement Agreement, which is available at [\[website\]](#).

9. How will the lawyers be paid?

Class Counsel is seeking court approval to be paid legal fees of 33.3% of the settlement fund plus disbursements made during the lawsuit, plus applicable tax. These fees will not be paid until the Ontario Superior Court of Justice declares that the proposed legal fees are fair and

reasonable. Class Counsel will also ask for deductions to be made from the settlement fund for a small separate payment (an “honorarium”) to the Representative Plaintiff.

10. When will I receive my payment?

If the settlement is approved, a Claims Administrator will be selected to process Class Member claims to a share of the settlement fund, after deductions approved by the Court. Class Members will be asked to submit an electronic Claim Form and other documentation confirming their acquisition of TILT Holdings Inc. securities, as discussed below. Once the deadline for claim form submissions has passed, the Claims Administrator will calculate each Class Member’s entitlement on a *pro rata* basis up to the value of their calculated loss, and make payment. If approved, each Class Member’s entitlement will be calculated in accordance with Plan of Distribution. The proposed Plan of Distribution is available here: [\[website\]](#)

11. What am I giving up in the class action and the proposed settlement?

If you do not opt out of the class action, you will give up your right to sue TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern for alleged misrepresentations in TILT Holdings Inc.’s public disclosure between October 12, 2018 and May 1, 2019. If the proposed settlement is approved, you will be “releasing” TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern, which means you cannot sue them for anything at all related to misrepresentations in their public disclosure during this time. The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions, you can talk to the law firms listed in Question ● or you can talk to your own lawyer if you have questions about what this means.

HOW TO RECEIVE A PAYMENT

12. How can I receive a payment?

You can only make a claim under the proposed settlement if the proposed settlement is approved by the Ontario Superior Court of Justice. To ask for a payment you will need to complete and

submit the required Claim Form and provide supporting documentation. All claims will be assessed by the Claims Administrator. Claim Forms are available at [\[website\]](#).

13. How will payments be calculated?

The Claims Administrator will review your Claim Form and determine if you qualify for a payment. If you do, the Claims Administrator will determine the amount of your payment based on the process described in Question ●.

14. What if my claim is denied?

If your claim is denied, you will receive a notice of the decision.

THE LAWYERS REPRESENTING YOU

15. Who are the lawyers for the Plaintiff?

The lawyers for the Plaintiff are:

- Kalloghlian Myers LLP; and
- Paul Bates.

If you want to be represented by or receive advice from another lawyer, you may hire one to appear in court for you at your own expense.

SUPPORTING OR OBJECTING TO THE PROPOSED SETTLEMENT

16. How do I tell the court if I like, or do not like, the proposed settlement?

You can participate in the hearing to voice your support for the proposed settlement, or, you can object to the proposed settlement if you do not like some part of it. The Court will consider your views. If you object to the proposed settlement, you must complete an Objection Form and email it to tilt@kalloghlianmyers.com by ●.

The Objection Form must include the following information: (a) your name, address, and telephone number; (b) your trading records showing that you purchased TILT Holdings Inc. shares between October 12, 2018 and May 1, 2019; (c) the reason you object to the proposed settlement or ancillary matters, along with any supporting materials; and (d) your signature. If

you file a Notice of Objection, you can also attend at the settlement approval hearing before the Ontario Superior Court of Justice to make an oral objection. The settlement approval hearing will be conducted by Zoom videoconference. The Zoom videoconference coordinates will be posted here: [\[website\]](#).

THE APPROVAL HEARING

17. When and where will the court decide whether to approve the proposed settlement?

The Ontario Superior Court of Justice will hold an approval hearing by Zoom Videoconference on ●.

The hearing date and coordinates may be moved without additional notice, so it is a good idea to check [\[website\]](#) in advance if you are planning to attend.

At the hearing, the Ontario Superior Court of Justice will consider whether the proposed settlement, class counsel legal fees and disbursements, the plaintiff's proposed honorarium of \$5,000, and the Plan of Distribution are fair, reasonable, and in the best interests of the Class. If there are objections, the Ontario Superior Court of Justice will consider them and will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the proposed settlement. It is not known how long these decisions will take.

18. Do I have to attend the hearing?

No. Class Counsel will answer questions the Court may have. However, you or your own lawyer are welcome to attend at your own expense to participate in the hearing – either to show your support for, or to object to, the proposed settlement. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also have your own lawyer attend, but it is not necessary.

19. May I speak at the Approval Hearing?

Yes, you may ask the Court for permission to speak at the approval hearing. To do so you must submit an Objection Form and indicate that you wish to speak at an approval hearing.

20. What if I do nothing?

If you do nothing, you are choosing not to object to the proposed settlement. The approval hearing will proceed and the Court will consider whether the proposed settlement is fair, reasonable, and in the best interests of the Class without your views on the matter.

GETTING MORE INFORMATION

21. How do I get more information?

More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at [\[website\]](#). You can send your questions to tilt@kalloghlianmyers.com.

DO NOT send any questions to or otherwise contact the Court directly.

PHASE I GOOGLE/FACEBOOK NOTICE

TILT Holdings Inc. Class Action Certification and Settlement [hyperlinked to website]

[[email](#)]

Did you purchase securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019?

If so, the proposed settlement of a class action lawsuit brought on behalf of such investors may affect your rights. Please click [here] to learn more.

[this will be amended as necessary to accord with Facebook/Google requirements]

SCHEDULE “E” – PHASE I PRESS RELEASE

**CERTIFICATION AND PROPOSED SETTLEMENT OF CLASS
ACTION AGAINST TILT HOLDINGS INC.**

[Date] – The parties to a proposed class action commenced against TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern have now reached a proposed settlement of the claim which is subject to approval by the Ontario Superior Court of Justice.

The class action has now been certified. This notice provides information about this proposed settlement and related matters and how to opt out of the class action.

Your legal rights are affected even if you do nothing. Please read this notice carefully.

The class action was commenced on behalf of all persons who acquired TILT Holdings Inc. securities between October 12, 2018 and May 1, 2019. The proposed settlement is for US\$3.65 million.

By agreeing to the proposed settlement, the parties avoid the costs and uncertainty of a trial and delays in obtaining judgment.

If you do not wish to be bound by the class action and participate in the settlement, you must opt out of the class action. A copy of the Opt Out Form is available here ●.

The Ontario Superior Court of Justice is required to decide whether to approve the proposed settlement, class counsel fees and disbursements plus tax, an honorarium for the representative plaintiff and a plan to allocate and distribute the settlement proceeds. The Court will hear submissions about the approval of the proposed settlement on ●. Payments will only be made available if the Court approves the proposed settlement and after any appeals are resolved.

YOUR LEGAL RIGHTS AND OPTIONS FOR THIS PROPOSED SETTLEMENT

- 1. Opt Out:** Fill out an Opt Out Form. Exclude yourself from the class action and the proposed settlement . The Opt Out Form is available ●. You must email your Opt Out Form before ● to: tilt@kalloghlianmyers.com
- 2. Object:** Fill out a Notice of Objection and explain why you object to the settlement and other relief sought. The Notice of Objection is available here: ●. You must email your Notice of Objection before ● to: tilt@kalloghlianmyers.com
- 3. Go to a Hearing:** You can attend the Zoom videoconference approval hearing in the Ontario Superior Court of Justice on ● to object to the proposed settlement and ancillary relief.
- 4. Do Nothing:** Remain in the class action and participate in the settlement, but give up your right to object to the proposed settlement.

These rights and options and the deadlines to exercise them and more information about the proposed settlement are explained in a notice available at [[website](#)].

More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at [[website](#)]. You can send your questions to tilt@kalloghlianmyers.com

The lawyers for the plaintiff in the class action are Kalloghlian Myers LLP and Paul Bates.

SCHEDULE “F” – OBJECTION FORM

THIS IS NOT A CLAIM FORM.

**ONLY USE THIS FORM IF YOU OBJECT TO THE PROPOSED
SETTLEMENT**

TO:

TILT Holdings Inc. Class Action

tilt@kalloghlianmyers.com

My name is _____.

For the reasons stated below, I wish to continue to be part of this class action, but I object to
(please specify):

- the terms of compensation for Class Members;

- the method of compensation for Class Members;

- the proposed fees and taxes to be claimed by Class Counsel; or

- the honorarium to be claimed by the Representative Plaintiff.

Persons submitting an objection are required to complete and deliver this Objection Form to
Class Counsel by no later than ●.

I object for the following reasons (please attach extra pages if you require more space):

For your objection to be considered by the Court, you must submit proof (i.e. trading records, account statements) that you acquired TILT Holdings Inc. shares between October 12, 2018 and May 1, 2019.

Address:

I do **NOT** intend to appear at the hearing of the motion to approve the proposed settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion on ●.

I intend to appear, in person or by counsel, at the hearing on ●, and to ask the Judge for permission to make submissions. Zoom videoconference coordinates will be available here: [website]

MY ADDRESS FOR SERVICE IS:

MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable, but you do not need a lawyer to object):

Name:

Name:

Address:

Address:

Tel.:

Tel.:

Fax:

Fax:

Email:

Email:

Date: _____

Signature: _____

SCHEDULE “G” – OPT OUT FORM

TILT Holdings Inc. Class Action Opt Out Form

To: TILT Holdings Inc. Class Action
c/o Kalloghlian Myers LLP
tilt@kalloghlianmyers.com

This is **NOT** a claim form. Completing this **OPT OUT FORM** will exclude you from receiving any compensation arising out of the settlement in this class proceeding. The following persons are entitled to opt out:

All persons who acquired securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019.

I understand that by opting out of this class action, I am confirming that I do not wish to participate in this class action or receive any settlement proceeds.

I understand that there may be a limitation period that applies to my individual claim, and that I may have to commence my individual claim within a specified time period or it may be legally barred. I understand that the commencement of this class action suspended the running of any applicable limitation periods from the time the class action was filed. Any applicable limitation periods will resume running against me if I opt out of this class action. I understand that by opting out, I take full responsibility for taking all necessary legal steps to protect any claim I may have, despite the resumption of the running of any applicable limitation period, at my own expense.

First and last name:

Current address:

City:

Prov./State:

Postal Code/Zip Code: _____

Telephone Number: _____

Total number of TILT Holdings Inc. securities purchased during the Class Period (October 12, 2018 to May 1, 2019): _____

You must also accompany your Opt Out Form with brokerage statements, or other transaction records, listing all of your purchases of TILT Holdings Inc. securities during the Class Period (October 12, 2018 to May 1, 2019).

Signature: _____ Date Signed: _____

SCHEDULE "H" – PHASE II ORDER (SETTLEMENT APPROVAL)

Court File No.: CV-20-00639799-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) , THE DAY
)
JUSTICE BENJAMIN T. GLUSTEIN) OF , 2021

B E T W E E N:

STEVE PINIZZOTTO

Plaintiff

- and -

TILT HOLDINGS INC., ALEXANDER COLEMAN, MARK HERRON, MICHAEL ORR and
TODD HALPERN

Defendants

Proceeding Under the Class Proceedings Act, 1992

ORDER

(Settlement Approval)

THIS MOTION, made by the Plaintiff for an Order approving the Settlement Agreement dated as of August ●, 2021 was heard this day at the courthouse located at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

ON READING the materials filed, including the Settlement Agreement dated August ●, 2021 (without schedules) attached to this Order as Schedule "A" (the "Settlement Agreement"),

AND ON HEARING the submissions of counsel for the parties,

AND ON BEING ADVISED that the deadlines for objecting to the Settlement Agreement and for opting-out of this Action have passed;

AND without any admission of liability on the part of any of the Defendants, all Defendants having denied liability:

1. **THIS COURT ORDERS AND DECLARES** that, except to the extent they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT DECLARES** that notice to Class Members has been delivered in accordance with the Phase I Order (Certification and Notice).
3. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
4. **THIS COURT ORDERS** that the Settlement Agreement is hereby approved pursuant to s. 29 of the *Class Proceedings Act*, 1992, as amended, and shall be implemented in accordance with its terms.
5. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement is incorporated by reference and forms part of this Order and this Order (including the Settlement Agreement) is binding upon the representative Plaintiff and all Class Members who have not validly opted-out of this action, including those persons who are minors or mentally incapable and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with in respect of this action.
6. **THIS COURT ORDERS** that:
 - (a) the Phase II Notice (Settlement Approval), generally in the form attached as Schedule ● to this Order, is approved;

- (b) the Plan of Distribution, generally in the form attached as Schedule ● to this Order is approved; and
 - (c) the Claim Form, generally in the form attached as Schedule ● to this Order is approved.
- 7. **THIS COURT ORDERS** that Kalloghlian Myers LLP is appointed, until further order of the Court:
 - (a) as the Claims Administrator on the terms and conditions and with the powers, duties and responsibilities set out in the Settlement Agreement and Plan of Distribution; and
 - (b) to manage the Escrow Account and to hold, invest and disburse the Settlement Amount in accordance with the terms of the Settlement Agreement, the Plan of Distribution and this Order.
- 8. **THIS COURT ORDERS** that the Class Members shall be given notice of the approval of the Settlement Agreement, the Plan of Distribution, and the Claims Bar Deadline substantially in the form of the Phase II Notice (Settlement Approval) to be published and disseminated in accordance with the Plan of Notice.
- 9. **THIS COURT ORDERS** that after publication and distribution of the Phase II Notice (Settlement Approval) in accordance with the Plan of Notice, Class Counsel shall file with the Court an affidavit confirming the publication and distribution of the Phase II Notice (Settlement Approval) in accordance with and as required by the Plan of Notice.
- 10. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, each Releasor has released and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims, on the terms of the Settlement Agreement.
- 11. **THIS COURT ORDERS** that each Releasor and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person,

any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Release Claim or any matter related thereto and are permanently barred and enjoined from doing so.

12. **THIS COURT ORDERS AND DECLARES** that the use of the terms “Releasors” and “Released Claims” in this Order does not constitute a release of claims by those Class Members who are resident in any province, state or territory where the release of one tortfeasor is a release of all tortfeasors.
13. **THIS COURT ORDERS AND DECLARES** that each Class Member who is resident in any province, state or territory where the release of one tortfeasor is a release of all tortfeasors covenants and undertakes not to make any claim in any way nor to threaten, commence, or continue any proceeding in any jurisdiction against the Releasees in respect of or in relation to the Released Claims.
14. **THIS COURT ORDERS AND ADJUDGES**, upon the Effective Date, that this action be and is hereby dismissed against the Defendants with prejudice and without costs.
15. **THIS COURT ORDERS** that for purposes of enforcement of this Order, this Court will retain an ongoing supervisory role over the proceeding and the implementation of the Settlement Agreement and the Defendants will attorn to the jurisdiction of this Court for these purposes.
16. **THIS COURT ORDERS** that the Plaintiff, Defendants, Claims Administrator, or Class Counsel may apply to the Court for directions in respect of the implementation and/or the administration of the Settlement Agreement.
17. **THIS COURT ORDERS** that on notice to the Court but without further order of the Court, the parties to the Settlement Agreement may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

18. **THIS COURT ORDERS** that the Plaintiff and the Defendants may apply to the Court for directions in respect of the termination of the Settlement Agreement in accordance with its terms or any matter relating thereto.
19. **THIS COURT ORDERS** that no person may bring any action or take any proceedings against the Plaintiff, Defendants, or their employees, agents, partners, associates, representatives, legal counsel, successors or assigns for any matter relating to the implementation of this Order except with leave of the Court.
20. **THIS COURT ORDERS** that the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.

Date:

(Signature of judge, officer or registrar)

SCHEDULE “I” – PHASE II NOTICE (SETTLEMENT APPROVAL)

PHASE II LONG FORM NOTICE

SETTLEMENT OF TILT HOLDINGS INC. CLASS ACTION

**Did you acquire TILT Holdings Inc. securities
between October 12, 2018 and May 1, 2019?**

A settlement may affect you. Please read this notice carefully.

A proposed class action was commenced against TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern on behalf of all persons who acquired securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019. The court has approved a settlement in this class action. This notice provides information about this settlement and related matters.

Your legal rights are affected even if you do nothing. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM: Fill out a Claim Form, apply for compensation. The deadline for Claim Form submission is ●.

DO NOTHING: Give up any right to apply for compensation.

These rights and options and the deadlines to exercise them are explained in this notice.

What this Notice Contains

BASIC INFORMATION

1. Why did I get this notice?
2. What is a class action lawsuit?
3. What does the lawsuit complain about?
4. Why is there a proposed settlement?

WHO IS INCLUDED IN THE SETTLEMENT?

5. Who is included in the proposed settlement?
6. What if I am not sure whether I am included in the proposed settlement?

PROPOSED SETTLEMENT BENEFITS?

7. What does the proposed settlement provide?
8. When will I receive my payment?
9. What am I giving up in the class action and the proposed settlement?

HOW TO RECEIVE A PAYMENT?

10. How can I receive a payment?
11. How will payments be calculated?
12. What if my claim is denied?

THE LAWYERS REPRESENTING YOU

13. Who are the lawyers for the plaintiff?
14. How will the lawyers be paid?

GETTING MORE INFORMATION

15. How do I get more information?

BASIC INFORMATION

- 1. Why did I get this notice?**

The Ontario Superior Court of Justice authorized this notice to let you know about the certification of the class action against TILT Holdings Inc., the proposed settlement and ancillary matters, and about all of your options before the court decides whether to give final approval to the proposed settlement. This notice explains the class action lawsuit, the proposed settlement, and your legal rights.

2. What is a class action lawsuit?

In a class action, one or more people called the “**Representative Plaintiff(s)**” sue on behalf of people who have similar claims. All of these people are collectively called the “**Class**” or “**Class Members**.” The court resolves the issues for everyone affected, except for those who exclude themselves from the lawsuit by opting out (explained in question 7 below).

3. What does this lawsuit complain about?

This lawsuit complains that TILT Holdings Inc. made misrepresentations in its public disclosure, and that when these misrepresentations were publicly corrected, persons who acquired securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019 suffered damages. None of these claims have been proven in court. **The Defendants do not admit any wrongdoing or liability.**

4. Why is there a proposed settlement?

The Representative Plaintiff and TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern have agreed to a proposed settlement agreement. By agreeing to the proposed settlement, the parties avoid the costs and uncertainty and delay of proceeding to a trial, and Class Members receive the benefits described in this notice and in the agreement. It also means that the Class Members will not need to testify in court. The Representative Plaintiff and his lawyers think the proposed settlement is in the best interests of all Class Members.

WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

5. Who is included in the proposed settlement?

The proposed settlement includes:

All persons who acquired TILT Holdings Inc. securities between October 12, 2018 and May 1, 2019 (the “**Class Members**”)

If the settlement is approved, all Class Members except those who validly opt out of the class action will benefit from and be bound by the proposed settlement and will be covered by the releases in the proposed settlement.

6. What if I am not sure whether I am included in the settlement?

If you are not sure whether you are included in the proposed settlement, you may email tilt@kalloghlianmyers.com

PROPOSED SETTLEMENT BENEFITS

7. What does the proposed settlement provide?

If approved, the settlement provides compensation of US\$3.65 million. More details are in a document called the Settlement Agreement, which is available at [\[website\]](#).

8. When will I receive my payment?

If the settlement is approved, a Claims Administrator will be selected to process Class Member claims to a share of the settlement fund, after deductions approved by the Court. Class Members will be asked to submit a Claim Form and other documentation confirming their acquisition of TILT Holdings Inc. securities, as discussed below. Once the deadline for claim form submissions has passed, the Claims Administrator will calculate each Class Member’s entitlement on a *pro rata* basis up to the value of their calculated loss, and make payment. If approved, each Class Member’s entitlement will be calculated in accordance with Plan of Distribution. The proposed Plan of Distribution is available here: [\[website\]](#)

9. What am I giving up in the class action and the proposed settlement?

If you did not opt out of the class action, you will give up your right to sue TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern for misrepresentations in TILT Holdings Inc.’s public disclosure between October 12, 2018 and May 1, 2019. If the

proposed settlement is approved, you will be “releasing” TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern, which means you cannot sue them for anything at all related to misrepresentations in their public disclosure during this time. The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions, you can talk to the law firms listed in Question 14 or you can talk to your own lawyer if you have questions about what this means.

HOW TO RECEIVE A PAYMENT

10. How can I receive a payment?

You can only make a claim under the proposed settlement if the proposed settlement is approved by the Ontario Superior Court of Justice. To ask for a payment you will need to complete and submit the required Claim Form and provide supporting documentation. All claims will be assessed by the Claims Administrator. Claim Forms are available at [\[website\]](#).

11. How will payments be calculated?

The Claims Administrator will review your Claim Form and determine if you qualify for a payment. If you do, the Claims Administrator will determine the amount of your payment based on the process described in Question ●.

12. What if my claim is denied?

If your claim is denied, you will receive a notice of the decision. In certain circumstances, you may request a reconsideration of your claim.

THE LAWYERS REPRESENTING YOU

13. Who are the lawyers for the Plaintiff?

The lawyers for the Plaintiff are:

- Kalloghlian Myers LLP; and
- Paul Bates.

If you want to be represented by or receive advice from another lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel is seeking court approval to be paid legal fees of 33.3% of the settlement fund plus disbursements made during the lawsuit, plus applicable tax. These fees will not be paid until the Ontario Superior Court of Justice declares that the proposed legal fees are fair and reasonable. Class Counsel will also ask for deductions to be made from the settlement fund for a small separate payment (an “honorarium”) to the Representative Plaintiff.

GETTING MORE INFORMATION

15. How do I get more information?

More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at [\[website\]](#). You can send your questions to tilt@kalloghlianmyers.com

PHASE II GOOGLE/FACEBOOK NOTICE

TILT Holdings Inc. Class Action Settlement [hyperlinked to website]

[[email](#)]

Did you purchase securities of TILT Holdings Inc. between October 12, 2018 and May 1, 2019?

If so, you may be entitled to compensation. Please click [[here](#)] to learn more.

SCHEDULE “J” – PHASE II PRESS RELEASE

SETTLEMENT OF CLASS ACTION AGAINST TILT HOLDINGS INC.

[Date] – The Ontario Superior Court of Justice has approved a settlement between TILT Holdings Inc., Alexander Coleman, Mark Herron, Michael Orr and Todd Halpern and the plaintiff in a class action. Your legal rights are affected even if you do nothing. Please read this notice carefully.

The class action was commenced on behalf of all persons who acquired TILT Holdings Inc. securities between October 12, 2018 and May 1, 2019. The proposed settlement is for US\$3.65 million.

YOUR LEGAL RIGHTS AND OPTIONS FOR THIS SETTLEMENT

- 1. Make a Claim for Compensation:** Fill out a Claim Form, apply for compensation. The Claim Form is available here: ●. You must submit your Claim Form Notice of Objection before ●.
- 2. Do Nothing:** Give up your right to apply for compensation.
- 3. Do Nothing:** Give up your right to apply for compensation.

These rights and options and the deadlines to exercise them and more information about the settlement are explained in a notice available at [[website](#)].

More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at [[website](#)]. You can send your questions to tilt@kalloghlianmyers.com

The lawyers for the plaintiff in the class action are Kalloghlian Myers LLP and Paul Bates.

SCHEDULE “K” – PLAN OF DISTRIBUTION

DEFINITIONS:

1. For the purposes of this Plan of Distribution, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) **ACB** means the adjusted cost base for the purchase of shares, inclusive of brokerage commissions;
 - (b) **Administration Expenses** has the meaning ascribed to that term in the Settlement Agreement.
 - (c) **Allocation System** means the method of determining the Compensable Loss assigned to a claim to determine the amount of compensation to be awarded for that claim (as set out below). This is based on each Claimant’s estimated losses attributable to misrepresentations in TILT’s public disclosure, taking into account risk adjustments to account for the liability risks for different categories of Authorized Claimants.
 - (d) **Authorized Claimant** means, other than Excluded Persons and Opt-Out Parties, collectively:
 - (ii) **Primary Market Sub-Class**: all persons, wherever they may reside or be domiciled, who acquired TILT’s Securities in the Offering; and
 - (iii) **Secondary Market Sub-Class**: all persons, wherever they may reside or be domiciled, who acquired TILT’s Securities during the Class Period, other than the Primary Market Sub-Class.
 - (e) **Claim Form** means an electronic claim form seeking compensation from the Net Settlement Amount.
 - (f) **Claimant** means any person or entity making a claim as purporting to be an Authorized Claimant or on behalf of a purported Authorized Claimant, with proper authority (as determined by the Claims Administrator).
 - (g) **Claims Administrator** means Kalloghlian Myers LLP.
 - (b) **Class Period** means the period from and including October 12, 2018 to the close of trading on May 1, 2019.
 - (h) **Class Counsel** has the meaning ascribed in the Settlement Agreement.
 - (i) **Class Counsel Fees** means, as defined in the Settlement Agreement, the fees and accrued interest thereon, disbursements, costs, holdbacks, GST/PST/HST and other applicable taxes or charges of Class Counsel, as approved by the Court.
 - (j) **Claim Form** means an electronic claim form established by the Administrator on a dedicated website.

- (k) **Compensable Damages** means the amount of a Claimant's damages for each type of purchase of Securities.
- (l) **Compensable Loss** is the sum of the Claimant's damages after risk adjustments applied for each type of purchase.
- (m) **Defendants** means TILT and the Individual Defendants.
- (n) **Escrow Account** has the meaning ascribed in the Settlement Agreement.
- (o) **Excluded Persons** means the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the families of an Individual Defendant.
- (p) **Excluded Claim** means a claim by or on behalf of an Excluded Person.
- (q) **Individual Defendants** means Alexander Coleman, Mark Herron, Michael Orr, and Todd Halpern.
- (r) **LIFO** means the method the Plaintiffs have selected and will apply to the holdings of Authorized Claimants who made multiple purchases or sales such that sales of securities will be matched, in chronological order, first against securities last purchased.
- (s) **Net Settlement Amount** means the Escrow Settlement Amount remaining after payment of Administration Expenses, Class Counsel Fees and the Third Party Funding Obligations.
- (t) **Offering** means TILT's offering of shares by way of subscription agreement that closed on November 21, 2018;
- (u) **Opt-Out Person** means any and all corporate entities or individual investors who would otherwise be Class Members and who submit a valid Opt-Out Form to Class Counsel by the Opt-Out Deadline.
- (v) **Referee** means an independent referee to determine disputes related to the acceptance or rejection of claims.
- (w) **Risk Adjusted Damages** means the Compensable Damages for each type of purchase of securities, after it has been adjusted by a risk adjustment.
- (x) **Sale Price** means the price at which the Claimant disposed of shares taking into account any commissions paid in respect of the disposition, such that the Sale Price reflects the economic benefit the Claimant received on disposition.
- (y) **Securities** means common shares of TILT.
- (z) **Settlement Amount** has the meaning ascribed to that term in the Settlement Agreement.
- (aa) **Third Party Funding Obligations** means any and all obligations owed by Plaintiff to Augusta Pool 1 Canada Limited, including pursuant to the terms of a litigation funding agreement between Augusta Pool 1 Canada Limited and the Plaintiff.
- (bb) **TILT** means TILT Holdings, Inc.

2. The Claims Administrator shall distribute the Net Settlement Amount as set out below.

SECTION 1 GOAL

3. The goal is to distribute the Net Settlement Amount among Authorized Claimants who submit valid and timely claims for Securities.

SECTION 2 DEADLINE FOR CLAIMS

4. Any person who wishes to claim compensation shall deliver to or otherwise provide the Claims Administrator a Claim Form by a date to be set by the Court. If the Claims Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Net Settlement Amount. Notwithstanding the forgoing, the Claims Administrator shall have the discretion to permit otherwise-valid late claims without further order of the Court.

SECTION 3 COMPLETION OF CLAIM FORM

5. If, for any reason, a living Authorized Claimant is unable to complete the Claim Form then it may be completed by the Securities Authorized's personal representative or a member of the Authorized Claimant's family.

SECTION 4 PROCESSING CLAIM FORMS

6. The Claims Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation, as follows:
 - (a) For a Claimant claiming as an Authorized Claimant, the Claims Administrator shall be satisfied that (i) the Claimant is an Authorized Claimant; and (ii) the claim is not an Excluded Claim.
 - (b) For a Claimant claiming on behalf of an Authorized Claimant or an Authorized Claimant's estate, the Claims Administrator shall be satisfied that (i) the Claimant has authority to act on behalf of the Authorized Claimant or the Authorized Claimant's estate in respect of financial affairs; (ii) the person or estate on whose behalf the claim was submitted is an Authorized Claimant; and (iii) the claim is not an Excluded Claim.
7. The Claims Administrator shall review the Claim Forms and assign the Compensable Loss to the claims prescribed by the Allocation System.

8. The Claims Administrator shall take reasonable measures to verify that the Claimants are eligible for compensation and that the information in the Claim Forms is accurate. The Claims Administrator may make inquiries of the Claimants in the event of any concerns, ambiguities or inconsistencies in the Claim Forms.

SECTION 5 IRREGULAR CLAIMS

9. The claims process is intended to be expeditious, cost effective and “user friendly” and to minimize the burden on Authorized Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume the Authorized Claimants to be acting honestly and in good faith.
10. Where a Claim Form contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.
11. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains unintentional errors which would materially exaggerate the Compensable Loss to be awarded to the Claimant, then the Claims Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Compensable Loss is awarded to the Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Compensable Loss to be awarded to the Claimant, then the Claims Administrator shall disallow the claim in its entirety and the Claimant shall be barred from subsequent claims arising from any settlement or judgment in this class proceeding.
12. Where the Claims Administrator disallows a claim in its entirety, the Claims Administrator shall send to the Claimant at the Claimant’s email address a notice advising the Claimant that he, she or it may request the Referee to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Compensable Loss or his, her or its individual compensation.

13. Any request for reconsideration must be received by the Referee within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
14. Where a Claimant files a request for reconsideration with the Referee, the Referee shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
15. Following its determination in an administrative review, the Referee shall advise the Claimant of its determination. In the event the Referee reverses a disallowance, the Referee shall send the Claimant at the Claimant's email a notice specifying the revision to the Claims Administrator's disallowance.
16. The determination of the Referee in an administrative review is final and is not subject to further review by any court or other tribunal.

SECTION 6 ALLOCATION SYSTEM AND PAYMENT OF NET SETTLEMENT AMOUNT

17. As soon as possible after (i) all timely Claim Forms have been processed; (ii) the time to request a reconsideration for disallowed claims under paragraph 12 has expired; and (iii) all administrative reviews under paragraphs 13 to 15 have concluded, the Claims Administrator shall determine each Claimant's Compensable Loss as follows:
 - (a) The ACB for each security purchased is determined using LIFO on a per security, per account, basis.
 - (b) the Securities purchased are divided into the types of securities described in the chart at paragraph 17(e).
 - (c) For each type of purchase of Securities, the damages for those purchases are calculated as follows:

Time of Sale of Securities	Damages
Sold before May 1, 2019	No damages
Sold from May 1, 2019 to May 15, 2019 to November 25, 2015	(#of Securities sold) X (ACB - Sale Price)
Sold after November 25, 2015	Lesser of: (i) (#of shares sold) X (ACB per share – Sale Price); or (ii) (#of shares sold) X (ACB per share – CAD\$0.85)
Still held:	(#of shares held) X (ACB per share - CAD\$0.85)

- (d) The damages for each type of purchase are reduced by subtracting the Claimant's Offset Profits for those purchases to obtain the Compensable Damages.
- (e) The Compensable Damages for each type of purchase are multiplied by the risk adjustment in the following chart to obtain the Risk Adjusted Damages:

Type of Purchase	Risk Adjustment
<u>(a) Primary Market Sub-Class</u>	0.10
<u>(b) Secondary Market Sub-Class</u>	1

- (f) The Compensable Loss is equal to the sum of the Risk Adjusted Damages for each type of purchase.
18. The Claims Administrator shall make payments to the eligible Claimants based on the allocation under paragraph 17, subject to the following:
- (a) Payments will be made in Canadian currency.
- (b) The Claims Administrator shall not make payments to Claimants whose allocation is less than \$50.00. Such amount shall instead be allocated *pro rata* to the other eligible Claimants.
- (c) The Claims Administrator shall make payment to a Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant. If, for any reason, a Claimant does not cash a cheque within 90 days after the date of the cheque, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with paragraph 19.

SECTION 7 REMAINING AMOUNTS

19. If the Escrow Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Net Settlement Amount to Claimants, the Claims Administrator shall, if feasible, allocate the remaining funds on a *pro rata* basis among the Claimants, and shall cause any remaining funds to be distributed cy pres to the Osgoode Investor Protection Clinic.

ADDITIONAL RULES

20. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.