

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

**FIGR BRANDS, INC.,
AND RELATED APPLICANTS**

EIGHTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

January 27, 2022

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.

**EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION¹

1. On January 21, 2021, FIGR Brands, Inc. (“**FIGR Brands**”), FIGR Norfolk Inc. (“**FIGR Norfolk**”) and Canada’s Island Garden Inc. (“**CIG**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). On June 10, 2021, the Court granted the CIG Approval and Vesting Order (as defined below) which, among other things, removed CIG as an Applicant and added 1307849 B.C. LTD. (“**Residual Co**”, and together with FIGR Brands and FIGR Norfolk, the “**FIGR Group**” or the “**Applicants**”) as an Applicant. The proceedings commenced under the CCAA by the FIGR Group are referred to herein as the “**CCAA Proceedings**”.
2. The CCAA Proceedings have progressed to the point where subject to the expected closing of the Norfolk Transaction on January 28, 2022, the Applicants will have completed realizing on substantially all of their assets. In accordance with previous Orders of the

¹ Terms not otherwise defined in this section and the following section have the meaning provided to them in the remainder of this Eighth Report.

Court, all material claims against the Applicants have also been identified (with only three (3) Claims remaining to be finally determined). In light of the foregoing, along with certain ancillary relief, the Applicants are seeking the authority to make a distribution to their creditors in the most efficient way possible in accordance with the Proposed Distribution Methodology. In addition, the employment of all Employees (other than those necessary to wind-up the business, of two of the Applicants (FIGR Norfolk and FIGR Brands)) have been or will be terminated upon closing of the Norfolk Transaction. Accordingly, the Applicants are also seeking a declaration that the WEPPA applies to FIGR Norfolk and FIGR Brands so as to provide its benefits to the former employees of those entities.

B. PURPOSE OF THIS EIGHTH REPORT

3. The purpose of this Eighth Report of the Monitor (the “**Eighth Report**”) is to provide the Court with:
 - (a) the Monitor’s comments and recommendations, regarding the FIGR Group’s motion returnable February 2, 2022 (the “**February 2 Motion**”) seeking an order (the “**Distribution & WEPPA Order**”), among other things,
 - (i) extending the Stay Period until April 29, 2022;
 - (ii) approving the Proposed Distribution Methodology which includes:
 - (A) the allocation of costs among the Applicants;
 - (B) the allocation of the DIP Facility among the Applicants;
 - (C) repayment of all amounts secured by the Intercompany Charges;
 - (D) confirmation that all Claims (including Pre-Filing Intercompany Claims) and Employee Claims against an Applicant which were asserted or confirmed in accordance with the Claims Procedure Order, Employee Claims Procedure Order or the Pre-Filing Intercompany Claims Resolution Process shall be accepted and

valid Claims for purposes of the Proposed Distributions (as defined below) (each a “**Proven Claim**”);

- (E) confirmation that all Claims (including Pre-Filing Intercompany Claims) and Employee Claims against an Applicant which were not asserted or preserved or were disallowed pursuant to the Claims Procedure Order or Employee Claims Procedure Order shall be forever barred and extinguished (each such Claim, a “**Barred and Extinguished Claim**”) and any such person asserting a Barred and Extinguished Claim shall not be entitled to participate in the Proposed Distribution & WEPPA Order;
 - (iii) authorizing the Applicants to make one or more cash distributions to each claimant with a Proven Claim pursuant to the Proposed Distribution Methodology, net of any withholding taxes based on applicable law (the “**Proposed Distributions**”);
 - (iv) declaring pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 (“**WEPPA**”) that FIGR Norfolk, FIGR Brands and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the Distribution & WEPPA Order;
 - (v) approving this Eighth Report, the activities of the Monitor and its counsel referred to herein, and the fees and disbursements of the Monitor and its counsel as set out below; and
 - (vi) barring any person from asserting a claim against the Monitor arising from or relating to the activities of the Monitor up to and including the date of the proposed Distribution & WEPPA Order;
- (b) information regarding the activities of the Monitor and the FIGR Group since October 14, 2021, the date of the Seventh Report; and

- (c) a summary of the receipts and disbursements of the FIGR Group for the 16-week period ending January 21, 2022.

C. BACKGROUND OF THE CCAA PROCEEDINGS

- 4. Since the CCAA Proceedings were commenced on January 21, 2021, a number of orders, as described below have been made by the Court. Pursuant to and in accordance with these orders, substantially all of the FIGR Group’s assets have been realized upon and Claims and Employee Claims (each as defined below) against the FIGR Group have been identified and determined in accordance with the Claims Procedure Order and the Employee Claims Procedure Order (each as defined below), as applicable.
- 5. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the FIGR Group² (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
 - (b) granted a stay of proceedings in favour of the FIGR Group until January 31, 2021 (the “**Stay Period**”);
 - (c) granted the Administration Charge, the Directors’ Charge, the DIP Lender’s Charge and the Intercompany Charge (each as defined in the Initial Order, and collectively the “**CCAA Charges**”); and
 - (d) authorized the FIGR Group to enter into the DIP Facility (as defined in the Pre-Filing Report of the Monitor dated January 21, 2021).
- 6. On January 29, 2021, at the comeback hearing, the following orders were issued:
 - (a) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) which, among other things:

² Note that any reference in this Eighth Report to the FIGR Group or the Applicants prior to June 28, 2021 includes CIG and not Residual Co.

- (i) increased the quantum of certain of the CCAA Charges;
 - (ii) elevated the priority ascribed to the CCAA Charges over all secured creditors; and
 - (iii) extended the Stay Period to March 31, 2021;
- (b) an order approving a sale and investment solicitation process to solicit interest in potential transactions involving the business and/or assets of the FIGR Group.

7. On February 22, 2021, the following orders were issued:

- (a) an order (the “**Claims Procedure Order**”) which, among other things:
- (i) approved a claims procedure (the “**Claims Procedure**”) to solicit, identify, determine and adjudicate Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the proposed Claims Procedure Order); and
 - (ii) required the Monitor to serve on the Service List (as defined below) and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as such terms are defined in the Claims Procedure Order).
- (b) an ancillary order which, among other things:
- (i) approved a key employee retention plan for certain employees of CIG;
 - (ii) extended the Stay Period to April 30, 2021; and
 - (iii) approved all filed reports of the Monitor (as of that date), and the activities of the Monitor referred to therein, as well as the fees and disbursements of the Monitor and its counsel.

8. On March 31, 2021, an order was issued which, among other things:

- (a) authorized the execution by the Applicants of the First Amendment to the DIP Facility which, among other things, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$8,000,000 (plus interest and costs) to \$13,000,000 (plus interest and costs); and
 - (b) approved the third report of the Monitor dated March 26, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.
9. On April 30, 2021, the following orders were issued:
- (a) an order (the “**Employee Claims Procedure Order**”) which, among other things, approved a claims procedure (the “**Employee Claims Procedure**”) to identify, determine and adjudicate Employee Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the Employee Claims Procedure Order);
 - (b) an order which, among other things:
 - (i) extended the Stay Period to June 30, 2021; and
 - (ii) approved the fourth report of the Monitor dated April 27, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.
10. On June 10, 2021, the following orders were issued:
- (a) an order (the “**CIG Approval and Vesting Order**”) which, among other things:
 - (i) approved the CIG Subscription and Share Purchase Agreement and the CIG Transaction;
 - (ii) vested the Purchased Shares in the CIG Purchaser, free and clear of any Encumbrances;

- (iii) vested the Transferred Assets in CIG, free and clear from any Encumbrances, except Permitted Encumbrances;
- (iv) added, as an Applicant to the CCAA Proceedings, a newly incorporated wholly owned subsidiary of FIGR Brands, namely Residual Co.;
- (v) on or before closing, transferred and vested the Excluded Assets, Excluded Contracts and Excluded Liabilities in Residual Co.; and
- (vi) declared that CIG ceased to be an Applicant in the CCAA Proceedings;

each term as defined in the Fifth Report of the Monitor dated June 4, 2021 (the “**Fifth Report**”);

- (b) an order (the “**Norfolk Approval and Vesting Order**”) which, among other things, approved the Norfolk Transaction and vested the Purchased Assets in the Norfolk Purchaser (as such terms are defined in the Fifth Report) free and clear of all claims and encumbrances;
- (c) an order (the “**June Ancillary Order**”) which, among other things,
 - (i) extended the Stay Period until September 3, 2021;
 - (ii) authorized the execution by the Applicants of the Second DIP Amendment which, *inter alia*, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs);
 - (iii) approved an increase to the DIP Lender's Charge (as defined in the Amended and Restated Initial Order) up to a maximum amount of \$16,000,000 (plus interest and costs);
 - (iv) authorized and empowered the FIGR Group, with the consent of the Monitor (or the Monitor on behalf of the FIGR Group), to make or cause to be made distributions from available funds or proceeds to the DIP Lender

(as defined below) in repayment of the obligations secured by the DIP Lender's Charge;

- (v) approved the Proposed Pre-Filing Intercompany Claims Resolution Process (as defined in the Claims Procedure Order); and
- (vi) approved the Fifth Report, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel as set out therein.

11. On August 24, 2021, an order was made which, among other things:

- (a) extended the Stay Period until October 29, 2021;
- (b) approved a key employee retention plan for certain employees of FIGR Norfolk;
- (c) sealed the Confidential Appendix (as defined in the Sixth Report of the Monitor dated August 19, 2021 (the “**Sixth Report**”)) containing sensitive information regarding the identity and compensation of the Norfolk Key Employees (as defined in the Sixth Report); and
- (d) approved the Sixth Report, the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

12. On October 19, 2021, an order was made which, among other things:

- (a) extended the Stay Period until February 4, 2022; and
- (b) approved the Seventh Report of the Monitor dated October 14, 2021 (the “**Seventh Report**”), the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

D. TERMS OF REFERENCE

13. In preparing this Eighth Report, the Monitor has relied upon audited and unaudited financial information of the FIGR Group, the FIGR Group's books and records, certain financial information and forecasts prepared by the FIGR Group, and discussions with

various parties, including senior management (“**Management**”) of, and advisors to, the FIGR Group (collectively, the “**Information**”).

14. Except as otherwise described in this Eighth Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Eighth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. Future-oriented financial information reported in, or relied on, in preparing this Eighth Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
16. The Monitor has prepared this Eighth Report in connection with the February 2 Motion. The Eighth Report should not be relied on for any other purpose.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
18. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit of Michael Devon, the Chief Financial Officer of FIGR Brands, sworn on January 26, 2022, the Amended and Restated Initial Order, or the Seventh Report, as applicable.

E. ACTIVITIES OF THE MONITOR

Activities of the Monitor

19. Since the date of the Seventh Report, the Monitor has undertaken the following activities:
 - (a) engaged with the FIGR Group, its legal counsel and the Norfolk Purchaser with respect to the Norfolk Transaction, the amendments to the Norfolk Sale Agreement,

and the holding of the necessary documents and funds in escrow to facilitate closing of the Norfolk Transaction, which as described in greater detail below is expected to occur January 28, 2022;

- (b) engaged with Health Canada regarding the Norfolk Transaction and FIGR Norfolk's intention to remain in compliance with its licenses under the *Cannabis Act*, S.C. 2018, c. 16, as amended;
- (c) supervised and assisted with activities related to the Claims Procedure and Employees Claims Procedure, as described in greater detail below;
- (d) engaged with the FIGR Group and their counsel with respect to a settlement agreement between Dorsay Development Corporation and Ontari Holdings Ltd. (the "**Landlord**"), FIGR Brands and Alliance One International GmbH ("**Alliance One**"), as described in greater detail in paragraph 34 below;
- (e) engaged with its legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), regarding matters related to the CCAA Proceedings;
- (f) maintained the service list for these CCAA Proceedings (the "**Service List**") and posted same on the Monitor's Website;
- (g) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries;
- (h) engaged in discussions with the FIGR Group, its legal counsel, and its Directors and Management regarding issues related to the FIGR Group's operations, including disbursements of the FIGR Group;
- (i) participated in discussions with Pyxus International, Inc. ("**Pyxus**") and related entities regarding services provided to the FIGR Group, including assisting in the preparation of information for Pyxus and the board of directors of Pyxus; and

- (j) assisted the FIGR Group in discussions with suppliers, creditors and employees related to the CCAA Proceedings and responded to requests for information from certain of such parties.

F. CIG TRANSACTION POST CLOSING MATTERS

- 20. Subject to payments which were secured by the Intercompany Charges described below, the Monitor continues to hold the net proceeds from the sale of the Purchased Shares and the proceeds of the Transferred Asset Promissory Note (the “**Sale Proceeds**”) for the benefit of the CIG Vendor, and the net proceeds from the issuance of the Subscribed Shares (together with the Sale Proceeds, the “**Net Proceeds**”) for the benefit of Residual Co, subject to further order of the Court.

G. UPDATE ON THE NORFOLK TRANSACTION

- 21. The principal elements of the Norfolk Transaction were set out in the Fifth Report. A copy of the Fifth Report, without appendices is attached to this Eighth Report as **Appendix “A”**. Capitalized terms in this section not defined herein have the meaning ascribed to them in the Fifth Report or Norfolk Sale Agreement, as applicable.
- 22. As described in the Sixth Report, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the First Norfolk APA Amendment and the Second Norfolk APA Amendment (each as defined in the Sixth Report) which, among other things, extended the Outside Date from July 30, 2021 to August 31, 2021.
- 23. As described in the Seventh Report, on October 13, 2021, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Third Amendment to the Norfolk Sale Agreement (the “**Third Norfolk APA Amendment**” which, among other things:
 - (a) extended the Outside Date from August 31, 2021 to October 29, 2021; and
 - (b) modified section 9.6 of the Norfolk Sale Agreement to reflect the terms of the Norfolk Approval and Vesting Order.

24. On January 1, 2022, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Fourth Amendment to the Norfolk Sale Agreement (the "**Fourth Norfolk APA Amendment**") which, among other things:
- (a) extended the Outside Date to January 14, 2022;
 - (b) modified Schedule "F" of the Norfolk Sale Agreement to reflect the reduced list of Transferred Employees;
 - (c) provided confirmation by the Purchaser that Closing of the Norfolk Transaction was in no way conditional upon the Phase 2 environmental assessment which the Purchaser had elected to complete;
 - (d) contained an acknowledgement by the Vendor that the Purchase Price shall be reduced by \$10,000 on Closing of the Norfolk Transaction; and
 - (e) included an agreement by the Vendor and the Purchaser that certain work as described in Schedule "A" thereto be undertaken by the Purchaser (the "**Purchaser Work**") on the FIGR Norfolk Facility prior to Closing of the Norfolk Transaction provided that prior to commencing such Purchaser Work the Purchaser pay the Damage Deposit of \$15,000 to the Monitor.

A copy of the Fourth Norfolk APA Amendment is attached to this Eighth Report as **Appendix "B"**.

25. On January 8, 2022, the Monitor received an email from counsel to the Norfolk Purchaser stating that the Norfolk Purchaser would not be prepared to close until after the January 14, 2022 Outside Date because its lender was still completing due diligence. Based upon, among other things, the number of previous extensions to the Outside Date, FIGR Norfolk and the Monitor were concerned that the Norfolk Purchaser would be unable to close the Norfolk Transaction. On January 10, 2022, FIGR Norfolk, with the Monitor's consent, delivered a letter to the Norfolk Purchaser (the "**APA Termination Letter**"), which set out certain defaults of the Norfolk Purchaser under the Norfolk Sale Agreement and terminated the Norfolk Sale Agreement for reason of the Norfolk Purchaser's failure to

satisfy the Financing Covenant under Section 4.3. The APA Termination Letter also indicated that FIGR Norfolk would retain the full amount of the Deposit together with any accrued interest pursuant to Section 4.2(d) of the Norfolk Sale Agreement. A copy of the APA Termination Letter is attached to this Eighth Report as **Appendix “C”**.

26. On January 11, 2022, the Norfolk Purchaser advised the Monitor that it remained committed to closing the Norfolk Transaction. On the same date, the Norfolk Purchaser delivered a letter to FIGR Norfolk setting out the Norfolk Purchaser’s position that the Norfolk Sale Agreement was not properly terminated, providing a response to certain issues raised in the APA Termination Letter, and indicating that the Norfolk Purchaser was ready, willing and able to imminently close on a date agreed to by the parties (the **“January 11 Reply Letter”**). A copy of the January 11 Reply Letter is attached to this Eighth Report as **Appendix “D”**.
27. On January 12, 2022, FIGR Norfolk, with the consent of the Monitor, delivered a letter to counsel to the Norfolk Purchase in response to the January 11 Reply Letter (the **“Reinstatement Letter”**). The Reinstatement Letter provided that in order to mitigate its damages, FIGR Norfolk was prepared to reinstate and further amend the Norfolk Sale Agreement provided the Norfolk Purchaser satisfied certain conditions (the **“Reinstatement Conditions”**) by a specified deadline. A copy of the Reinstatement Letter is attached to this Eighth Report as **Appendix “E”**.
28. Counsel to the Norfolk Purchaser advised that the proposal set forth in the Reinstatement Letter was acceptable with certain minor amendments. It maintained its position, however, that the Norfolk Sale Agreement was not properly terminated and therefore did not need to be reinstated.
29. On January 19, 2022, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Reinstatement Agreement and Fifth Amendment to the Norfolk Sale Agreement (the **“Reinstatement Agreement and Fifth Norfolk APA Amendment”** and together with the First Norfolk APA Amendment, the Second Norfolk APA Amendment, the Third Norfolk APA Amendment, and the Fourth Norfolk APA Amendment, the **“Norfolk APA Amendments”**). A copy of the

Reinstatement Agreement and Fifth Norfolk APA Amendment is attached to this Eighth Report as **Appendix “F”**. The Reinstatement Agreement and Fifth Norfolk APA Amendment, among other things:

- (a) extended the Outside Date to January 28, 2022;
 - (b) provided for certain acknowledgements of the parties in respect of the Norfolk Transaction;
 - (c) provided for a reduction in the Purchase Price in an amount no greater than \$20,000 to be applied on Closing to cover certain interest costs incurred by the Norfolk Purchaser on the Closing Funds (as defined therein); and
 - (d) provided that FIGR Norfolk would instruct Hyde Advisory & Investments (“**Hyde**”) to advise Health Canada that the Parties (as defined therein) were prepared to close the Norfolk Transaction on January 28, 2022 in the event the Norfolk Purchaser satisfied the Reinstatement Conditions by January 19, 2022 at 6:00 PM (Toronto Time) (the "**Reinstatement Deadline**").
30. The Reinstatement Conditions, including the delivery of the various closing documents and funds necessary to satisfy the Purchase Price under the Norfolk Sale Agreement to the Monitor in escrow, were ultimately satisfied by the Norfolk Purchaser by the Reinstatement Deadline. On the same date, at the instruction of FIGR Norfolk and the Norfolk Purchaser, Hyde advised Health Canada that the closing date of the Norfolk Transaction was expected to be January 28, 2022. It is expected that the Norfolk Transaction will close on Friday, January 28, 2022. Should the Norfolk Transaction not close as expected, the Monitor will provide a further update to the Court accordingly.

H. UPDATE ON CLAIMS AND EMPLOYEE CLAIMS³

31. Claims against the FIGR Group were identified in one of three ways. First, Pre-Filing Claims, Pre-Filing D&O Claims and Restructuring Claims were determined pursuant to the Claims Procedure Order. Second, Pre-Filing Intercompany Claims were determined pursuant to the Claims Procedure Order and the June Ancillary Order which approved the Pre-Filing Claims Resolution Process. Third, Employee Claims were determined in accordance with the Employee Claims Procedure.

Pre-Filing Claims, D&O Claims and Restructuring Claims

32. Pursuant to the Claims Procedure Order all persons wishing to assert a Claim (including a Pre-Filing Intercompany Claim) but excluding Employee Claims or Claims secured by the CCAA Charges were required to file a Proof of Claim. Proofs of Claim for Pre-Filing Claims, D&O Pre-Filing Claims and Pre-Filing Intercompany Claims were to be received by the Monitor prior to 5:00 pm on April 6, 2021 (the “**Pre-Filing Claims Bar Date**”). Proofs of Claim for Restructuring Period Claims were to be received by the Monitor by the earlier of the Pre-Filing Claims Bar Date or the date that was 30 days after the Monitor sends a Claims Package with respect to a Restructuring Claim to such Claimant.
33. There were no Pre-Filing D&O Pre-Filing Claims received. Subject to the execution of the settlement agreement described in paragraph 34 below, all Proofs of Claim received in respect of Pre-Filing Claims and Restructuring Claims have been resolved pursuant to the process provided in the Claims Procedure Order and are summarized below.
34. The Monitor has continued to review, determine and adjudicate certain outstanding unsecured Claims filed in accordance with the Claims Procedure Order. As referenced in paragraph 19(d) above, we understand a settlement has been agreed to and the parties are in the process of executing the relevant agreement for the final remaining outstanding Pre-Filing Claim, being the Claim filed by the Landlord. The terms of the settlement include

³ Terms not otherwise defined in this section have the meaning provided to them in the Claims Procedure Order or the Employee Claims Procedure Order.

that the Monitor shall accept a Claim in favour of the Landlord in the amount of \$263,797.12 (the “**Accepted Landlord Claim**”), being a reduction from the amount asserted in the Proof of Claim submitted by the Landlord in the original amount of \$940,422.46 (the “**Landlord Claim**”). In the Monitor’s view, taking in to account the retention by the Landlord of the security deposit under the lease and mitigation issues, the Accepted Landlord Claim amount is appropriate in the circumstances. The settlement also provides that the Landlord is assigning the Landlord Claim to Alliance One in exchange for a payment by Alliance One.

Disallowed or Revised Claims

35. Pursuant to paragraph 30 of the Claims Procedure Order, the Monitor has sent Notices of Revision or Disallowance to nine (9) Claimants. Any Claimant that wished to dispute a Notice of Revision or Disallowance was required to deliver a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. (Eastern Time) on the date that was fourteen (14) Calendar Days after the date the Monitor sent such Claimant a Notice of Revision or Disallowance.
36. Since the date of the Seventh Report, the fourteen (14) Calendar Day period to send the Monitor a Notice of Dispute has passed for all nine (9) of the Claimants and the Monitor did not receive any Notices of Dispute in respect of such Claims.

Disclaimed Contracts

37. The FIGR Group has disclaimed nine (9) contracts that the FIGR Group was a party to by sending each counterparty (the “**Disclaimed Parties**”) a notice of disclaimer pursuant to section 32 of the CCAA. In accordance with paragraph 20 of the Claims Procedure Order, the Monitor sent each of these Disclaimed Parties a Claims Package. The Restructuring Claims Bar date for each of the Disclaimed Parties is thirty (30) days after the Monitor sent such Disclaimed Party a Claims Package.
38. As of the date of this Eighth Report:
 - (a) all of the Disclaimed Parties’ Restructuring Claims Bar Dates have passed;

- (b) seven (7) Disclaimed Parties did not submit a Claim before their Restructuring Claims Bar Date passed; and
- (c) two (2) Disclaimed Parties submitted Restructuring Claims. Of these submitted Restructuring Claims, one (1) has been accepted and one (1) (the Landlord Claim referred to above) has been settled.

Pre-Filing Intercompany Claims

39. Pre-Filing Intercompany Claims received by the Pre-Filing Claims Bar Date were subject to determination pursuant to the Pre-Filing Claims Resolution Process approved by the June Ancillary Order. That process provided that any person who wished to object to a Pre-Filing Intercompany Claim as summarized in the Fifth Report must serve an objection no later than 30 days after the date the Monitor served a Pre-Filing Intercompany Claims Notice as required by the June Ancillary Order. The Monitor served such notice on June 11, 2021 and no objections were received.
40. Accordingly, all Pre-Filing Intercompany Claims as set out in the Fifth Report were deemed to be accepted as valid claims in accordance with the June Ancillary Order. The following summarizes the Pre-Filing Intercompany Claims held by and against each entity:

Claims (\$ millions)	FIGR Brands, Inc.	FIGR Norfolk Inc.	Canada's Island Garden Inc.	Total Allowed Claim
FIGR Brands, Inc.	\$ -	\$ 48.0	\$ 104.2	\$ 152.2
FIGR Norfolk Inc.	\$ -	\$ -	\$ 9.0	\$ 9.0
Canada's Island Garden Inc.	\$ -	\$ 0.0	\$ -	\$ 0.0
Alliance One International Tabak B.V.	\$ 194.0	\$ -	\$ -	\$ 194.0
Total	\$ 194.0	\$ 48.0	\$ 113.2	\$ 355.2

Employee Claims

41. Employee Claims, being the Claim of any Employee for vacation pay, termination pay, severance pay, wages, expenses, commissions or other remuneration arising as a result of the termination of employment of a layoff of such Employee by an Application prior to the Filing Date or during the CCAA Proceedings, were determined in accordance with the Employee Claims Procedure. The Employee Claims Procedure was a reverse notice process, whereby the FIGR Group in consultation with the Monitor prepared a statement of an assessment of the quantum of such Employee's Claim based on the books and records

of the FIGR Group. That statement was sent as part of an Employee Claims Package to each holder of a potential Employee Claim and the Employee had 30 days to dispute the amount set out therein.

42. The Employee Claims Procedure is in the process of being carried out in accordance with the Employee Claims Procedure Order.
43. To date, the Monitor has sent Employee Claims Packages to former Employees within ten (10) Business Days of their employment being terminated if their employment was terminated following the date the Employee Claims Procedure Order was granted, or following the date their temporary layoff ceased to be temporary under the *Employment Standards Act, 2000*, S.O. 2000, c. 41, as amended (or similar applicable provincial statute), if this occurs following the date the Employee Claims Procedure Order is granted.
44. Thirty Eight (38) Employees in total (twenty two (22) Employees of FIGR Brands and sixteen (16) of FIGR Norfolk), have had their employment terminated since the commencement of the CCAA Proceedings. In accordance with the Employee Claims Procedure Order, the Monitor sent Employee Claim Statements and Employee Claim Packages to all such Employees. The majority of CIG's Employees have remained as employees of CIG.
45. The Monitor expects one additional Employee of FIGR Norfolk will be terminated upon closing of the Norfolk Transaction. This will leave only two (2) individuals employed by FIGR Brands (both of whom are officers or directors of the Applicants and required for the final wind down). Those two (2) remaining individuals are in the process of finalizing exit agreements which are expected to include settlements in respect of their Claims against FIGR Brands.
46. The Monitor will provide additional updates on the Employee Claims Procedure as required.

Summary of Claims

47. In summary, there are no remaining secured, priority or Pre-Filing D&O Claims asserted. The following summarizes the accepted unsecured claims against each entity. The summary includes estimates for the three remaining outstanding employee claims as noted above.

Claims (#)	Allowed Unsecured Claims		Total Allowed
	Intercompany	Third Party	
FIGR Norfolk Inc.	2	26	28
Canada's Island Garden Inc.	2	21	23
FIGR Brands, Inc.	1	31	32
Total	5	78	83

Claims (\$ millions)	Allowed Unsecured Claims		Total Allowed
	Intercompany	Third Party	
FIGR Norfolk Inc.	\$ 48.0	\$ 0.3	\$ 48.3
Canada's Island Garden Inc.	\$ 113.2	\$ 1.2	\$ 114.4
FIGR Brands, Inc.	\$ 194.0	\$ 4.6	\$ 198.6
Total	\$ 355.2	\$ 6.1	\$ 361.3

I. RECEIPTS AND DISBURSEMENTS

48. The FIGR Group's actual negative net cash flow on a consolidated basis for the 16-week period ending January 14, 2022 was approximately \$1.6 million, compared to a forecast negative cash flow of approximately \$2.0 million as noted in the Cash Flow Projection filed as Appendix "B" to the Seventh Report, representing a positive variance of approximately \$0.4 million as summarized below.

(\$CAD in thousands)	16 Week Cumulative to 21-Jan-22			
	Actual	Forecast	\$ Difference	% Difference
Receipts				
Receipts from Operation	-	-	-	0%
Other Receipts	146	-	146	100%
Total Receipts	146	-	146	100%
Operating Disbursements				
Payroll and Employee Related Costs	(605)	(511)	(94)	-18%
Rent and Property Taxes	(16)	-	(16)	-100%
Taxes and Levies	(113)	(115)	2	2%
Other Operating Expenses	(74)	(479)	405	85%
Capital Expenditures	-	-	-	0%
Total Operating Disbursements	(808)	(1,105)	297	27%
Net Cash from Operations	(662)	(1,105)	443	40%
Restructuring Disbursements	(914)	(862)	(52)	-6%
KERP	-	-	-	0%
Total Restructuring Disbursements	(914)	(862)	(52)	-6%
NET CASH FLOWS	(1,576)	(1,967)	391	20%
Cash				
Beginning Balance	1,432	1,432	-	0%
Net Receipts/ (Disbursements)	(1,576)	(1,967)	391	20%
Advances from Net Proceeds of Sale	858	735	123	17%
Ending Balance	714	200	514	257%
Cash Balance per Company	714			
Cash Balance per Trust Account	9,934			
Total Cash	10,648			

Note: Remaining Cash Balance per Trust Account reflects net proceeds received from closing of the CIG Transaction and the Norfolk Transaction as well interest earned on the account. Overdue AR collected, CRA refunds collected, and other miscellaneous collections sitting in the Monitor's account are reflected above in the Company's balance for illustrative purposes but are deposited within the Monitor's account.

49. Explanations for key variances are as follows:

- (a) the positive variance in Other Receipts of approximately \$0.1 million primarily relates to HST refunds received but not forecast; and
- (b) the positive variance in Other Operating Expenses of approximately \$0.4 million is temporary in nature and expected to reverse in upcoming weeks.

J. PROPOSED DISTRIBUTION METHODOLOGY

50. As described earlier herein, the Applicants have sold all of their operating business assets and no further realizations are expected. Further, as described above, the Applicants and Monitor have completed a review of Claims (including Pre-Filing Intercompany Claims) and Employee Claims filed against the Applicants in accordance with the Claims Procedure

Order and Employee Claims Procedure Order. As described further herein, the Applicants are holding cash balances that, at this time, can be distributed to holders of the Proven Claims subject to a reserve for administrative costs (the “**Administrative Reserve**”). Accordingly, the Applicants are seeking approval for the Applicants to make the Proposed Distributions to holders of Proven Claims.

Net Cash Balances

51. As a result of sales and asset realizations, and assuming the FIGR Norfolk Transaction closes as expected on January 28, 2022, the Applicants will have received total cash from asset realizations of \$27.7 million.⁴ After repayment of the DIP Facility and other post-filing or priority amounts, the estimated net cash available for distribution by each Applicant totals approximately \$10.3 million (the “**Net Cash Balances**”). Balances below are subject to change based on the closing of the Norfolk Transaction. The following table presents a summary of the estimated Net Cash Balances by Applicant.

Debtor (\$ millions)	Funds Received	Priority Payments	DIP Repayment	Post-Filing Interco Charge	Direct Proceeds Available for Distribution
FIGR Norfolk Inc.	5.0	(0.1)	(1.9)	(2.0)	1.1
Canada's Island Garden Inc.	21.4	(0.4)	(7.5)	(4.7)	8.8
FIGR Brands, Inc.	1.3	-	(4.6)	3.7	0.4
Total	27.7	(0.5)	(14.0)	(3.0)	10.3

52. The deductions from, and adjustments to, the funds received from the CIG Transaction and the Norfolk Transaction to arrive at the Net Cash Balances are based on the following methodology described further herein:

- (a) **Funds Received:** As a result of the sale of assets described above as well as interest earned on funds in the Monitor’s trust account, the Applicants and/or the Monitor received cash balances in the aggregate amount of approximately \$27.7 million. CIG funds totalling approximately \$21.0 million and FIGR Brands funds totalling approximately \$1.3 million were received on June 28, 2021 and Norfolk funds of

⁴ Funds Received also includes interest earned on the Monitor’s trust account.

approximately \$5 million are expected to be received on January 28, 2022 (the “**Direct Proceeds from Asset Sales**”).⁵ Other funds of approximately \$0.4 million relate to interest earned on the Monitor’s trust account throughout the CCAA proceedings as well as collection of outstanding accounts receivable and HST refunds related to the CIG Transaction described above;

- (b) Priority Payments: Payments totalling approximately \$0.5 million have been made to satisfy certain liens, secured claims and vacation pay entitlements. Certain of the lien payments and secured claim payments were described in greater detail in the Fifth Report;
- (c) DIP Facility Repayment: Pursuant to the June Ancillary Order, DIP Facility draws totalling approximately \$14.0 million, including approximately \$13.7 million in principal and DIP Facility interest of approximately \$0.3 million, were repaid on July 8, 2021, but secured against the assets of all of the Applicants. The DIP Facility was advanced solely to FIGR Brands and was repaid using a portion of the Net Proceeds of the CIG Transaction. Allocation of the DIP Facility among the Applicants is addressed by way of the post-filing Intercompany Charge amounts described below. The DIP Facility funds had been used by the Applicants to fund the following:
 - (i) Operational negative net cash flows incurred directly by each Applicant; and
 - (ii) Restructuring related professional fee disbursements allocated on a pro rata calculation based on each entity's portion of Direct Proceeds from Asset Sales; and
- (d) Intercompany Charge amounts as described below.

⁵ Norfolk funds are currently located in the Monitor’s account in escrow.

Intercompany Charge Amounts and Cost Allocation

53. The Amended and Restated Initial Order at paragraph 39 provides that to the extent any Applicant, after the date of the Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) or otherwise transfers value to or for the benefit of one or more Applicants (other than itself), such Applicant is granted an Intercompany Charge on all of the Property of the receiving Applicant in the amount of such payment, obligation or transfer.
54. During the pendency of the CCAA Proceeding, funds from one Applicant were used to fund expenses of the other Applicants. Most commonly (i) DIP Facility proceeds advanced to FIGR Brands were used to fund operating expenses and professional fees incurred by CIG and FIGR Norfolk; and (ii) following closing of the CIG Transaction and repayment in full of the DIP Facility from the Net Proceeds, additional funds from the Net Proceeds were used to fund expenses of the other Applicants, most commonly FIGR Norfolk. As well, services provided by one Applicant (most commonly FIGR Brands) were provided for the benefit of the other Applicants.
55. The Net Cash Balances in the table set forth in paragraph 50 above in respect of “Post-Filing Intercompany Charge Amounts” include:
 - (a) amounts related to the delivery of services by FIGR Brands to FIGR Norfolk and CIG (prior to closing of the CIG Transaction and the Norfolk Transaction) which have been included consistent with the methodology employed by FIGR prior to the CCAA Proceedings;
 - (b) amounts related to the operational negative net cash flows incurred and estimated to be incurred directly by each Applicant; and
 - (c) amounts related to professional fees occurred in respect of the CCAA Proceedings, which have been allocated as described below.
56. For purposes of determining the Intercompany Charge amounts, the restructuring related professional fee disbursements have been allocated as follows:

- (a) for the time prior to the closing of the CIG Transaction: on a pro rata calculation based on each entity's expected Direct Proceeds from Asset Sales;⁶
- (b) for the time after close of the CIG Transaction and before the closing of the Norfolk Transaction: between FIGR Brands at approximately 33.3% and FIGR Norfolk at approximately 66.6%, respectively. The majority of professional fee time spent during this period relates to ongoing monitoring at FIGR Brands and FIGR Norfolk and efforts to close the Norfolk Transaction; and
- (c) for the time following closing of the Norfolk Transaction: the professional fees will form part of the Administrative Reserve (described below in greater detail) and it is being proposed that this Administrative Reserve will be held back entirely from the Pyxus Claim and therefore will not be allocated amongst the Applicants.

57. The Monitor is of the view that the above process to allocate costs among the Applicants is fair and reasonable, as most of the costs were directly allocated to the respective Applicant that benefitted from the service. As part of the approval of the Proposed Distribution Methodology (as defined below), the Monitor seeks approval of this Court with respect to this methodology to allocate costs among the Applicants. The proposed method for the allocation of costs is used in the calculation of the Net Cash Balances. If the methodology for the allocation of costs changes, that will affect the Net Cash Balances for each Applicant. However, given the overwhelming amount of the Pre-Filing Intercompany Claims and since the majority of the Pre-Filing Claims are held by Alliance One International Tabak B.V. (“**AOIT**”) (which were assigned to it by Alliance One), the allocation will not materially affect the ultimate distributions.

Proposed Process for Distribution

58. The Proposed Distributions in respect of the Net Cash Balances of each Applicant is as follows:

⁶ As further described in paragraph 51(c)(ii).

- (a) each claimant holding a Proven Claim will receive a pro rata distribution from each entity up to the maximum amount of their Proven Claim amount;
- (b) all distributions will be made in Canadian dollars. Any Proven Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date, which for United States dollars is USD 1: CAD 1.2627;
- (c) for greater certainty, Proven Claims include all Claims (including Pre-Filing Intercompany Claims) and Employee Claims that have been finally determined in accordance with the Claims Procedure Order, Employee Claims Procedure Order or Pre-Filing Claims Resolution Process as described above. Any person who was required to but did not assert a Proven Claim in accordance with the Claims Procedure Order or the Employee Claims Procedure Order shall not be entitled to a distribution and shall be forever barred and such claim extinguished;
- (d) subject to the Administrative Reserve noted below, no secured claims or priority claims remain;
- (e) the Pre-Filing Intercompany Claims include claims by one Applicant against another Applicant. Distributions made by one Applicant with respect to Pre-Filing Intercompany Claims of another Applicant will ultimately form cash available for distribution to third party claimants of another Applicant. In other words, distribution of Pre-Filing Intercompany Claims of one Applicant against another will redistribute some of the cash from one Applicant to another;
- (f) following the reallocation of proceeds to determine Net Cash Balances described above, each Intercompany Charge will no longer be required to secure the Pre-Filing Intercompany Claims and therefore the Monitor is of the view that each Intercompany Charge can be released and discharged;
- (g) certain Pre-Filing Intercompany Claims, however, are held by AOIT (the “**Pyxus Claims**”), a party related to the Applicants, but who is not itself an Applicant;

These are the most significant (by value) of the unsecured Claims against the Applicants and are treated as third party claims for distribution purposes;

- (h) the Monitor notes that although CRA initially filed marker proofs of claim against each of the Applicants, the CRA has voluntarily withdrawn its claim against each of the Applicants;
- (i) the following Chart outlines the percentage and dollar recovery (prior to accounting for the Administrative Reserve) for each Applicants' third party creditors including the Pyxus Claims:

Debtor (\$ millions)	Estimated Third Party Distribution Pool	Estimated Third Party Claims Pool	Estimated Third Party Distribution
FIGR Norfolk Inc.	0.0	0.3	3%
Canada's Island Garden Inc.	0.1	1.2	8%
FIGR Brands, Inc.	10.2	198.6	5%
Total	10.3	200.1	

- (j) given the size of the Pyxus Claims relative to other third party creditors, the Monitor proposes that the Administrative Reserve, described below, be held back entirely from the Pyxus Claims.⁷ This will facilitate the distributions and significantly reduce administrative costs by permitting only one distribution be made to holders of Proven Claims other than the Pyxus Claims. The Monitor has discussed this proposal with Pyxus who has agreed with same;
- (k) the Administrative Reserve is proposed to be in the amount of approximately \$2.1 million and will stand as security for the Administration Charge and the Directors' Charge. The Administrative Reserve will be used to pay all remaining professional fee disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor in respect of the CCAA Proceedings, wages and fees of certain Directors and Officers (as such terms are defined in the Claims Procedure Order) that may be incurred and any Claims that may be made against the Directors or Officers until

⁷ The Pyxus Claims in the amount of approximately \$194 million against FIGR Brands are expected to receive approximately 97 percent of the total funds available for distribution to FIGR Brands' creditors.

the termination of the CCAA Proceedings. Currently, there are no known Claims against the Directors or Officers relating to liabilities incurred post-filing. In the Monitor's view, it is appropriate that following the making of the distributions, the Administration Charge and Directors' Charge attach solely to the Administrative Reserve; and

- (1) any Claimant (as defined in the Claims Procedure Order) may transfer its claim in accordance with the Claims Procedure Order, provided that neither the Applicants nor the Monitor shall be obligated to deal with the transferee of such Claim, including the making of any distribution in respect of such Claim by the Applicants to such transferee, unless and until written notice of such transfer or assignment, together with evidence satisfactory to the Applicants and the Monitor, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim prior to the distributions being made. In the event the Monitor has not acknowledged such assignment prior to the distributions being made, the Applicants will make distributions to the transferor of such Claim.

59. Collectively, paragraphs 50 to 57 are referred to as the “**Proposed Distribution Methodology**”. The Monitor is of the view that the Proposed Distribution Methodology is fair and allows for distributions in an efficient manner. Accordingly, the FIGR Group is seeking the approval of this Court of the Proposed Distribution Methodology as described herein.

K. WEPPA DECLARATION

60. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subsection 5(5) that criteria prescribed by regulation are met.

61. The recently enacted section 5(5) of the WEPPA provides that on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that “*for purposes of subsection 5(5) of the [WEPPA], a court may determine whether the former employer is the former employer of all of whose employees in Canada have been terminated other than any retained to wind down its business operations (emphasis added).*”
62. At the commencement of the CCAA Proceedings, FIGR Norfolk had approximately 25 employees. The employment of all of FIGR Norfolk’s employees other than the six (6) Transferred Employees (as defined in the Norfolk Sale Agreement) were terminated on or about December 21, 2021 following a period of layoff commencing on or about February 2, 2021. The Transferred Employees were retained solely to ensure that the Health Canada cannabis licenses remained in good standing in order to facilitate the closing of the Norfolk Transaction. As noted above, one additional employee is expected to be terminated upon closing of the Norfolk Transaction.
63. At the commencement of the CCAA Proceedings, FIGR Brands had approximately 30 employees. The employment of almost all of FIGR Brands’ employees were terminated, with the last one being terminated on or about July 30, 2021. As noted above, two (2) FIGR Brands’ employees are being retained solely to facilitate the sale of the remaining assets of the FIGR Group and to wind-down its business operations.
64. Accordingly, the Monitor is of the view that the employment of all employees of both FIGR Norfolk and FIGR Brands, other than those required to wind down and liquidate its business operations will have been terminated on the expected closing of the Norfolk Transaction. As such, the Monitor supports the Applicants request for a declaration that FIGR Norfolk and FIGR Brands are former employers for the purposes of section 5(5) of the WEPPA.
65. The Monitor recently corresponded by email and video conference with individuals from Labour Program Employment and Social Development Canada (“**LPESDC**”), the Government of Canada agency responsible for assessing and implementing WEPP policy, to provide information on the CCAA Proceedings and enquire on the WEPP eligibility

criteria and application in the circumstances. Based on the Monitor's description of the CCAA Proceedings and the employee terminations to date (and those expected to occur upon closing of the Norfolk Transaction), LPESDC advised the Monitor that it did not have any concerns regarding the application of the WEPPA in the circumstances.

66. LPESDC advised that their understanding was that the date of the Distribution & WEPPA Order, if granted, would be the date FIGR Norfolk, FIGR Brands and their former employees become eligible under WEPPA. LPESDC is on the Service List for the CCAA Proceedings and was served with the Applicants' Motion Record for the February 2 Motion.

L. STAY EXTENSION

67. The Stay Period currently expires on February 4, 2022.
68. The FIGR Group is seeking a further extension of the Stay Period to April 29, 2022 as it will allow the Applicants to complete the Proposed Distributions and administer WEPPA, should the relief requested on the February 2 Motion by the Applicants be approved by the Court.
69. As is demonstrated in the cash flow projection attached to this Eighth Report as **Appendix "G"** (the "**Revised Cash Flow Projection**"), the FIGR Group is forecast to have sufficient liquidity to fund their obligations and the costs of the CCAA Proceedings through the end of the extended Stay Period. The Revised Cash Flow Projection is summarized below:

(\$CAD in thousands)

	14 Week Between W/E Jan-28 to W/E Apr-29
	Total
Receipts	
Receipts from Operation	-
Other Receipts	-
Total Receipts	-
Operating Disbursements	
Payroll and Employee Related Costs	(364)
Rent and Property Taxes	-
Taxes and Levies	(175)
Other Operating Expenses	(300)
Capital Expenditures	-
Total Operating Disbursements	(839)
Net Cash from Operations	(839)
Restructuring Disbursements	(1,532)
KERP	(110)
Total Restructuring Disbursements	(1,642)
NET CASH FLOWS	(2,481)
Cash	
Beginning Balance	714
Net Receipts/ (Disbursements)	(2,481)
Advances from Net Proceeds of Sale	1,967
Ending Balance	200

Monitor's Recommendations

70. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by the proposed extension of the Stay Period. The proposed extension of the Stay Period is necessary to permit the FIGR Group, if the Distribution & WEPPA Order is granted, to administer the distributions contemplated thereunder, administer WEPPA and move toward finalizing the CCAA Proceedings. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence and that the circumstances support an extension of the Stay Period.

M. APPROVAL OF THE MONITOR'S FEES AND ACTIVITIES

71. The Monitor and its legal counsel, Cassels, have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time, in accordance with paragraph 30 of the Amended and Restated Initial Order, as part of the costs of the CCAA Proceedings.

72. Pursuant to previous orders of the Court, the fees and disbursements of the Monitor for periods prior to September 30, 2021 and of Cassels for periods prior to September 29, 2021 were approved.
73. The Monitor and Cassels have maintained records of their professional time and costs. The Monitor now requests approval of its fees and disbursements for the period from October 1, 2021 to January 16, 2022, and the fees and disbursements for Cassels for the period from September 30, 2021 to December 31, 2021.
74. The total fees and disbursements of the Monitor for the period of October 1, 2021 to January 16, 2022 total \$500,342.57, including fees in the amount of \$442,781.00, disbursements in the amount of \$nil, and HST in the amount of \$57,561.57, as more particularly described in the affidavit of Jeffrey Rosenberg sworn January 27, 2022 (the “**Rosenberg Affidavit**”), a copy of which is attached hereto as **Appendix “H”**.
75. The total fees and disbursements of Cassels principally from September 30, 2021 to December 31, 2021 total \$49,779.90, including fees in the amount of \$44,053.00, disbursements in the amount of \$nil, and HST in the amount of \$5,726.90, as more particularly described in the affidavit of Ryan Jacobs sworn January 27, 2022 (the “**Jacobs Affidavit**”, together with the Rosenberg Affidavit, the “**Fee Affidavits**”), a copy of which is attached hereto as **Appendix “I”**.
76. The Monitor respectfully submits that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully requests the approval of the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits.
77. The Monitor is also requesting approval of this Eighth Report and the activities of the Monitor described herein.

N. CONCLUSION


78. For the reasons stated in this Eighth Report, the Monitor supports the relief sought by the FIGR Group in connection with the February 2 Motion. The Monitor respectfully submits to the Court this, its Eighth Report.

Dated this 27th day of January, 2022.

FTI Consulting Canada Inc.
In its capacity as Monitor of
FIGR Brands, Inc. and the other corporations in the FIGR Group



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Managing Director

APPENDIX "A"

[ATTACHED]

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

**FIGR BRANDS, INC.,
AND RELATED APPLICANTS**

FIFTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

JUNE 4, 2021

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On January 21, 2021, FIGR Brands, Inc. ("**FIGR Brands**"), FIGR Norfolk Inc. ("**FIGR Norfolk**") and Canada's Island Garden Inc. ("**CIG**" and together with FIGR Brands and FIGR Norfolk, the "**FIGR Group**" or the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced under the CCAA by the FIGR Group are referred to herein as the "**CCAA Proceedings**".
2. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the FIGR Group (in such capacity, the "**Monitor**") in the CCAA Proceedings;
 - (b) granted a stay of proceedings against the FIGR Group until January 31, 2021 (the "**Stay Period**");
 - (c) granted the Administration Charge, the Directors' Charge, the DIP Lender's Charge and the Intercompany Charge (each as defined in the Initial Order, and collectively the "**CCAA Charges**"); and

- (d) authorized the FIGR Group to enter into the DIP Facility (as defined in the Pre-Filing Report of the Monitor dated January 21, 2021).
3. On January 29, 2021, at the comeback hearing, the following orders were issued:
- (a) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) which, among other things:
 - (i) increased the quantum of certain of the CCAA Charges;
 - (ii) elevated the priority ascribed to the CCAA Charges over all secured creditors; and
 - (iii) extended the Stay Period to March 31, 2021.
 - (b) an order (the “**SISP Approval Order**”) approving a sale and investment solicitation process (the “**SISP**”) to solicit interest in potential transactions involving the business and/or assets of the FIGR Group.
4. On February 22, 2021, the following orders were issued:
- (a) an order (the “**Claims Procedure Order**”):
 - (i) approving a claims procedure (the “**Claims Procedure**”) to solicit, identify, determine and adjudicate Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the proposed Claims Procedure Order); and
 - (ii) requiring the Monitor to serve on the Service List (as defined below) and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as such terms are defined in the proposed Claims Procedure Order).
 - (b) an ancillary order which, among other things:

- (i) approved a key employee retention plan for certain employees of the FIGR Group;
- (ii) extended the Stay Period to April 30, 2021; and
- (iii) approved all filed reports of the Monitor (as of that date), and the activities of the Monitor referred to therein, as well as the fees and disbursements of the Monitor and its counsel.

5. On March 31, 2021, an order was issued which, among other things:

- (i) approved certain amendments to the DIP Facility, including an increase in the amount permitted to be borrowed by the FIGR Group thereunder from \$8,000,000 (plus interest and costs) to \$13,000,000 (plus interest and costs); and
- (ii) approved the Third Report of the Monitor dated March 26, 2021 (the “**Third Report**”), the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

6. On April 30, 2021, the following orders were issued:

- (a) an order (the “**Employee Claims Procedure Order**”) which, among other things approved a claims procedure (the “**Employee Claims Procedure**”) to identify, determine and adjudicate Employee Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the Employee Claims Procedure Order);
- (b) an order which, among other things:
 - (i) extended the Stay Period to June 30, 2021; and
 - (ii) approved the fourth report of the Monitor dated April 27, 2021 (the “**Fourth Report**”), the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

7. The purpose of this Fifth Report of the Monitor (the “**Fifth Report**”) is to provide the Court with:

(a) the Monitor’s comments and recommendations, regarding the FIGR Group’s motion returnable June 9, 2021 (the “**June 9 Motion**”) seeking:

(i) an order (the “**CIG Approval and Vesting Order**”) which, among other things:

(A) approves the CIG Subscription and Share Purchase Agreement and the CIG Transaction;

(B) vests the Purchased Shares in the CIG Purchaser, free and clear of any Encumbrances;

(C) vests the Transferred Assets in CIG, free and clear from any Encumbrances, except Permitted Encumbrances;

(D) adds, as an Applicant to the CCAA Proceedings, a newly incorporated wholly owned subsidiary (“**Residual Co.**”) of the CIG Vendor;

(E) vests the Excluded Assets, Excluded Contracts and Excluded Liabilities in Residual Co.; and

(F) declares that CIG ceases to be an Applicant in the CCAA Proceedings,

as described in greater detail below (capitalized terms used in this paragraph and not otherwise defined are defined below);

(ii) an order (the “**Norfolk Approval and Vesting Order**”) which, among other things, approves the Norfolk Transaction and vests the Purchased Assets in the Norfolk Purchaser (as such terms are defined below) free and clear of all claims and encumbrances, as described in greater detail below;

- (iii) an order (the “**Second Ancillary Order**”) which, among other things,
 - (A) extends the Stay Period until September 3, 2021;
 - (B) approves the Second DIP Amendment (as defined below) which, *inter alia*, increases the amount permitted to be borrowed by the FIGR Group thereunder from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs);
 - (C) approves an increase to the DIP Lender's Charge (as defined in the Amended and Restated Initial Order) up to a maximum amount of \$16,000,000 (plus interest and costs);
 - (D) authorizes and empowers the FIGR Group with the consent of the Monitor (or the Monitor on behalf of the FIGR Group) to make or cause to be made distributions from available funds or proceeds to the DIP Lender (as defined below) in repayment of the obligations secured by the DIP Lender's Charge;
 - (E) approves the Proposed Pre-Filing Intercompany Claims Resolution Process (as defined in the Claims Procedure Order);
 - (F) seals the confidential exhibits to the June 2 Devon Affidavit (as defined below) and the Confidential Appendix (as defined below) to this Fifth Report; and
 - (G) approves this Fifth Report, the activities of the Monitor referred to herein, and the fees and disbursements of the Monitor and its counsel as set out below;
- (b) information regarding the activities of the Monitor and the FIGR Group since April 27, 2021, the date of the Fourth Report; and
- (c) a summary of the receipts and disbursements of the FIGR Group for the nine-week period ending May 21, 2021.

B. TERMS OF REFERENCE

8. In preparing this Fifth Report, the Monitor has relied upon audited and unaudited financial information of the FIGR Group, the FIGR Group's books and records, certain financial information and forecasts prepared by the FIGR Group, and discussions with various parties, including senior management ("**Management**") of, and advisors to, the FIGR Group (collectively, the "**Information**").
9. Except as otherwise described in this Fifth Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Fifth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. Future-oriented financial information reported in, or relied on, in preparing this Fifth Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
11. The Monitor has prepared this Fifth Report in connection with the June 9 Motion. The Fifth Report should not be relied on for any other purpose.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
13. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit of Michael Devon, the Chief Financial Officer of FIGR Brands, sworn on June 2, 2021 (the "**June 2 Devon Affidavit**"), filed in support of the June 9 Motion, or the Amended and Restated Initial Order, as applicable.

C. ACTIVITIES OF THE MONITOR

Activities of the Monitor

14. Since the date of the Fourth Report, the Monitor has undertaken the following activities:
- (a) engaged with its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), regarding matters related to the CCAA Proceedings;
 - (b) maintained the service list for these CCAA Proceedings (the “**Service List**”) and posted same on the Monitor’s Website;
 - (c) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries;
 - (d) engaged in discussions with the FIGR Group, its legal counsel, and its Directors and Management regarding issues related to the FIGR Group’s operations and borrowings under the DIP Facility, including advances under the DIP Facility and disbursements of the FIGR Group;
 - (e) participated in discussions with Pyxus International, Inc. (“**Pyxus**”) and related entities regarding services provided to the FIGR Group and matters related to the DIP Facility, including assisting in the preparation of information for Alliance One Tobacco Canada, Inc. (“**AOTC**”) as the lender under the DIP Facility (in such capacity, the “**DIP Lender**”), Pyxus and the board of directors of Pyxus;
 - (f) assisted the FIGR Group in discussions with suppliers, creditors and employees related to the CCAA Proceedings and responded to requests for information from certain of such parties;
 - (g) engaged with Health Canada regarding the CCAA Proceedings and the FIGR Group’s intention to remain in compliance with its licenses under the *Cannabis Act*, S.C. 2018, c. 16, as amended;
 - (h) supervised and assisted with activities related to the SISF, with FTI Capital Advisors – Canada ULC (“**FTI Capital**”), as described in greater detail below;

- (i) supervised and assisted with activities related to the Claims Procedure including reviewing the Pre-Filing Intercompany Claims and the development of the Proposed Pre-Filing Intercompany Claim Process as described in greater detail below; and
- (j) supervised and assisted with activities related to the Employee Claims Procedure, as described in greater detail below.

D. UPDATE ON THE SISP

- 15. In accordance with the SISP Approval Order, the Monitor, with the assistance of its affiliate, FTI Capital, and with input from the FIGR Group and the DIP Lender, has been conducting the SISP. Capitalized terms used in this section not otherwise defined have the meaning ascribed to them in the SISP Approval Order.
- 16. As set out in the Third Report:
 - (a) the Monitor, with the assistance of the FIGR Group, and in consultation with the DIP Lender, developed a list of known potential bidders and provided them with a summary regarding the opportunity and outlining the process under the SISP and inviting them to participate in the SISP. The Monitor also arranged for publication of the notice of the SISP;
 - (b) interested potential bidders were provided with a confidential information package and access to a data room after executing a non-disclosure agreement;
 - (c) the deadline to submit a non-binding letter of intent (a “**LOI**”) by any interested bidder was 5:00 pm (Eastern Time) on February 26, 2021 (the “**Phase 1 Bid Deadline**”);
 - (d) a number of LOIs were received by the Phase 1 Bid Deadline (the “**Phase 1 Qualified Bidders**”). The Monitor, in consultation with the FIGR Group and the DIP Lender, reviewed the LOIs received from the Phase 1 Qualified Bidders and determined the appropriate parties that would proceed to Phase 2 as Phase 2 Qualified Bidders; and

- (e) the Monitor and the FIGR Group, in consultation with the DIP Lender, determined the process and timing of Phase 2 Bids (the “**Phase 2 Process**”) and sent a letter reflecting the Phase 2 Process to each Phase 2 Qualified Bidder (the “**Bid Process Letter**”). A copy of the Bid Process Letter was attached to the Third Report as Appendix “A”. The Bid Process Letter described the Phase 2 Process as follows: a) all Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the FIGR Group, or their property, or business must submit a binding offer (each a “**Phase 2 Bid**”) to the Monitor and the Applicants by no later than 5:00 pm (Eastern Time) on April 1, 2021 (the “**Phase 2 Bid Deadline**”); and b) each Phase 2 Bid must be submitted in conformity with the requirements for a Sale Proposal or Investment Proposal set out in the SISP.
17. As set out in the Fourth Report, a number of Phase 2 Bids were received by the Phase 2 Bid Deadline (the “**Phase 2 Qualified Bidders**”). The Monitor, in consultation with the FIGR Group and the DIP Lender reviewed the Phase 2 Bids and entered into discussions with the Phase 2 Qualified Bidders regarding their potential acquisition proposals in respect of the assets and/or shares of various entities within the FIGR Group.
18. As described in the BID Process Letter and the SISP, the criteria considered by the Monitor and the FIGR Group, in consultation with the DIP Lender, to evaluate the Phase 2 Bids included, among other things:
- (a) the purchase price and the value provided by such bid;
 - (b) the nature of the consideration provided by such bid;
 - (c) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions;
 - (d) the proposed transaction agreement;
 - (e) factors affecting speed, certainty and value of the proposed transaction; and
 - (f) the assets or liabilities included or excluded from the proposed transaction.

19. Following an extensive review of the Phase 2 Bids, it was determined that i) the Phase 2 Bid (the “**CIG Successful Bid**”) of 102604 P.E.I. Inc. (the “**CIG Purchaser**”) for certain of the property and business of the FIGR Group related to CIG (the “**CIG Transaction**”) and ii) the Phase 2 Bid (the “**Norfolk Successful Bid**”) of 11897985 Canada Inc. (dba) BEROXFOOD North America (the “**Norfolk Purchaser**”) for the purchase of substantially all of the assets of FIGR Norfolk (in its capacity as vendor, the “**Norfolk Vendor**”) (the “**Norfolk Transaction**”), in each case, provided the highest and best value for the stakeholders of the FIGR Group.¹
20. A summary comparison of the Phase 2 Bids received is attached hereto as Confidential Appendix “A” (the “**Confidential Appendix**”). The Monitor requests that the Confidential Appendix be sealed as it contains sensitive information that may, if disclosed, affect the integrity of the SISF and negatively impact the business of the Applicants and value to be received by stakeholders.
21. Together, the CIG Transaction and the Norfolk Transaction cover substantially all of the assets of the Applicants.

E. APPROVAL OF THE CIG TRANSACTION

22. The FIGR Group and its counsel, in consultation with the Monitor and its counsel and the DIP Lender negotiated and finalized the terms of a proposed subscription and share purchase agreement (the “**CIG Subscription and Share Purchase Agreement**”) with the CIG Purchaser and its counsel. A copy of the redacted CIG Subscription and Share Purchase Agreement is attached to the June 2 Devon Affidavit. A copy of the unredacted CIG Subscription and Share Purchase Agreement is attached as a sealed exhibit to the June 2 Devon Affidavit. Capitalized terms in this section not otherwise defined herein have the meaning ascribed to them in the CIG Subscription and Share Purchase Agreement.

¹ The Monitor’s summaries of the CIG Transaction and Norfolk Transaction below provide an overview of the key terms of each transaction and are not intended to be an exhaustive summary of all the terms and conditions that may be relevant to stakeholders of the FIGR Group. Readers of this Fifth Report are encouraged to read the CIG Subscription and Share Purchase Agreement and APA (as such terms are defined herein) and the FIGR Group’s motion materials seeking an order to approve the transactions contemplated therein and should not rely solely on this Fifth Report for information in connection with the transactions.

23. The CIG Successful Bid has no financing conditions. In addition, the CIG Purchaser paid a deposit to the Monitor following execution of the CIG Subscription and Share Purchase Agreement to be held in accordance with the CIG Subscription and Share Purchase Agreement.
24. The CIG Purchaser group includes a senior member of the management team of the FIGR Group. This individual is familiar with the business, operations and assets of CIG and has established relationships with CIG’s management team and holds the necessary security clearances to maintain the Cannabis Licenses. This individual did not participate in the review or assessment of any bids in the SISP and all appropriate confidentiality measures were taken.
25. Certain key terms of the CIG Subscription and Share Purchase Agreement are summarized in the table below.

Term	Description
Subscription Price	<p>The CIG Purchaser shall subscribe for certain shares in the capital of CIG to be issued by CIG (the “Subscribed Shares”), free and clear of all Encumbrances, in consideration for the Subscription Price, subject to the Working Capital Adjustment (the “Adjusted Subscription Price”). The CIG Purchaser’s obligation to pay the Adjusted Subscription Price for the Subscribed Shares shall be:</p> <p>(a) <i>Cash Consideration:</i> on the Closing Date and in accordance with the Closing Sequence (i) the CIG Purchaser shall pay the Adjusted Subscription Price less the Deposit by wire transfer of immediately available funds, and (ii) the Deposit will be released to CIG; and</p> <p>(b) <i>Working Capital Adjustment:</i> Subject to the Statement of Adjustments to be delivered by the CIG Vendor to the CIG Purchaser two (2) Business Days prior to the Closing Date, the Subscription Price shall be increased or reduced by an amount equal to</p> <p style="padding-left: 40px;">(i) the aggregate amounts owing by CIG to its trade vendors for goods and services provided from and after the date of the commencement of the CCAA Proceedings but not yet paid as of the Closing Date, as set out in the Statement of Trade Payables plus</p> <p style="padding-left: 40px;">(ii) subject to the terms of the CIG Subscription and Share Purchase Agreement, the amount by which, if any, the actual costs and expenses incurred by CIG, or disbursements made by CIG,</p>

Term	Description
	<p>during the Interim Period and prior to the Post-Target Period are less than the Total Operating Costs (as set out in the Purchased Entity Disbursement Budget), minus</p> <p>(iii) subject to the terms of the CIG Subscription and Share Purchase Agreement, the amount by which, if any, of the costs and expenses incurred by CIG, or disbursements made by CIG, during the Interim Period and prior to the Post-Target Period that are in excess of the Total Operating Costs, minus</p> <p>(iv) any Post-Target Cash Deficiency.</p>
Purchased Shares	<p>The CIG Purchaser shall acquire all of the issued and outstanding shares in the capital of CIG owned by FIGR Brands, Inc. (the “CIG Vendor”) (the “Purchased Shares”), free and clear of all Encumbrances, in consideration for the Share Purchase Price.</p>
Deposit	<p>The CIG Purchaser paid a Deposit equal to 10% of the Subscription Price, upon execution of the CIG Subscription and Share Purchase Agreement.</p> <p>If the Closing does not occur on or prior to the Target Closing Date, except in limited circumstances, the Deposit paid by the CIG Purchaser shall increase by the amount of any Post-Target Period Payments, which, in any applicable week, shall not exceed \$500,000. Each Post-Target Period Payment is required to be paid, at certain times each week after the Target Closing Date and prior to the Closing Date, in the amount required for CIG to fund forecast costs and expenses to be incurred or disbursed in the following week, net of forecast receipts for such following week.</p> <p>Subject to certain exceptions as outlined in the CIG Subscription and Share Purchase Agreement, the Deposit is refundable if the CIG Transaction is not completed.</p>
Closing Date	<p>The Target Closing Date is June 25, 2021.</p> <p>The Outside Date is July 31, 2021.</p> <p>In each case, the CIG Vendor (with the consent of the Monitor and DIP Lender) and the CIG Purchaser may agree to another date.</p>
Retained Assets	<p>On the Closing Date, CIG shall retain all of the assets owned by it on the date of the CIG Subscription and Share Purchase Agreement and any assets acquired by it up to and including Closing, including its Contracts, Permits and Licences and Books and Records, except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts and Excluded Liabilities.</p>

Term	Description
Transferred Assets	<p>On the Closing Date, CIG shall acquire certain assets of the CIG Vendor, including all of the intellectual property of the CIG Vendor, all national account selling agreements, certain supply and related agreements and all physical assets located in Toronto as of the date of the CIG Subscription and Share Purchase Agreement, in consideration for an interest free promissory note issued by the CIG Purchaser in favour of the CIG Vendor in the amount of \$1,252,515.14 (the “Transferred Asset Purchase Price”).</p>
Excluded Liabilities	<p>On the Closing Date, CIG shall assign and transfer the Excluded Liabilities to Residual Co., a corporation to be incorporated as a wholly owned subsidiary of the CIG Vendor prior to closing the CIG Transaction, which is proposed to become an applicant in the CCAA Proceedings, and Residual Co. shall assume the Excluded Liabilities in consideration for an interest free promissory note issued by CIG to Residual Co. in an amount equal to the Adjusted Subscription Price minus the Transferred Asset Purchase Price in consideration for Residual Co. assuming the Excluded Liabilities (the “Excluded Liability Promissory Note”).</p> <p>The Excluded Liabilities include, among other things, all Liabilities of or against CIG relating to any Excluded Assets or Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including without limitation: (i) Professional Costs; (ii) any amounts owing under the DIP Facility; and (iii) any intercompany debt.</p> <p>All claims in respect of the Excluded Liabilities, if any, will continue to exist against Residual Co. and neither the CIG Purchaser nor CIG shall have any Liability for any of the Excluded Liabilities and all of the Excluded Liabilities shall be Discharged from CIG and its assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the CIG Approval and Vesting Order.</p>
Excluded Assets and Excluded Contracts	<p>On the Closing Date, CIG shall transfer the Excluded Assets, if any, and Excluded Contracts to Residual Co., and same shall be vested in Residual Co. pursuant to the CIG Approval and Vesting Order, in consideration for the Excluded Liability Promissory Note.</p> <p>The list of Excluded Assets, if any, may be delivered by the CIG Purchaser no later than ten (10) Business Days before the Target Closing Date.</p> <p>The Excluded Contracts include, among other things, certain services agreements and an office space lease. The CIG Purchaser shall deliver no later than 20 days before the Target Closing Date a list of contracts for CIG to disclaim.</p>
Assumed Liabilities	<p>Until the Closing Date and/or after Closing, as the case may be, CIG shall continue to have Liability for the Assumed Liabilities, which include, among other things: (i) all trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date, (ii) certain Liabilities which relate to the Business arising out of events or circumstances occurring after Closing, (iii) Liabilities of CIG to be</p>

Term	Description
	<p>performed after Closing (iv) the Transferred Asset Promissory Note and (v) Excluded Liability Promissory Note, which, in the case of (iv) and (v) above, shall be paid from the proceeds of the Adjusted Subscription Price on the Closing Date. The list of Assumed Liabilities may be amended by the CIG Purchaser no later than ten (10) Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables.</p> <p>The Liabilities listed in Schedule G include all trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).</p>
Employees	<p>The CIG Purchaser shall send to the CIG Vendor and CIG a list of individuals employed by CIG whose employment will be terminated prior to Closing (such individuals, the “Terminated Employees”) no later than ten (10) Business Days before the Target Closing Date.</p> <p>Prior to Closing, CIG shall have terminated the employment of the Terminated Employees and all Liabilities owing to any such terminated employees in respect of such terminations shall be Excluded Liabilities or shall be Discharged by the CIG Approval and Vesting Order.</p>
Closing Conditions	<p>The closing of the Transaction is conditional upon certain conditions, including:</p> <ul style="list-style-type: none"> (a) <u>Court Approval</u>. (i) the CIG Approval and Vesting Order shall have been issued by the Court; (ii) the CIG Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the CIG Approval and Vesting Order have expired; provided that if the CIG Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed, and (iv) at least two (2) clear Business Days have elapsed since the CIG Approval and Vesting Order was issued by the Court; (b) <u>No Material Adverse Effect</u>. During the Interim Period, there shall have been no Material Adverse Effect. (c) <u>No Breach of Representations and Warranties</u>. Each of the representations and warranties shall be true and correct in all materials respects as of the date made (including CIG’s representation and warranty that the Cannabis Licenses are in full force and effect), except, in the case of the CIG Vendor and CIG, as may be affected by the occurrence of events specifically contemplated in the CIG Subscription and Share Purchase Agreement; (d) <u>CIG Employees</u>. CIG shall have terminated the employment of the Terminated Employees, as requested by the CIG Purchaser in its sole

Term	Description
	<p>discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the CIG Approval and Vesting Order;</p> <p>(e) <u>CCAA Proceedings</u>. Upon Closing, the CCAA Proceedings will have been terminated in respect of CIG, its business and property, as set out in the CIG Approval and Vesting Order.</p> <p>(f) <u>Disclaim Contracts</u>. CIG shall have sent notices of disclaimer for such contracts and other agreements as the CIG Purchaser may require, as listed in a list of contracts to disclaim as sent by the CIG Purchaser to the CIG Vendor and which shall be delivered by the CIG Purchaser no later than 20 days before the Target Closing Date.</p> <p>(g) <u>Cannabis Licenses</u>. The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.</p> <p>(h) <u>Current Asset Value</u>. The aggregate value of the Current Assets of the Purchased Entity, as disclosed on the Closing Balance Sheet, shall not be less than an amount equal to (i) a threshold price minus (ii) any amount by which the actual expenses and disbursements of the Purchased Entity during the Interim Period are less than the Total Operating Costs.</p> <p>(i) <u>FIGR Norfolk IP License</u>. The CIG Vendor shall have delivered an agreement executed by FIGR Norfolk terminating its ability to use any of the intellectual property that forms part of the Transferred Assets as a business name 180 days after Closing.</p> <p>(j) <u>The Transition Services MOU</u>. The Transition Services MOU shall have been fully executed by all parties and delivered to the CIG Purchaser.</p>
Termination	<p>The CIG Subscription and Share Purchase Agreement may be terminated on or prior to the Closing Date as follows:</p> <p>(a) by the mutual agreement of the CIG Vendor, CIG and the CIG Purchaser;</p> <p>(b) by the CIG Purchaser or by the CIG Vendor and CIG (with consent of the Monitor) at any time following the Outside Date, provided the reason for Closing not having occurred is not due to any act or omission or breach of the CIG Subscription and Share Purchase Agreement by the Party proposing the termination;</p>

Term	Description
	<p>(c) by the CIG Purchaser or by the CIG Vendor and CIG (with consent of the Monitor) on notice to the other Parties if: (i) the CIG Approval and Vesting Order has not been obtained by the Closing Date; or (ii) the Court declines at any time to grant the CIG Approval and Vesting Order; in each case for reasons other than a breach of the CIG Subscription and Share Purchase Agreement by the Party proposing to terminate;</p> <p>(d) by the CIG Vendor, if there has been a material violation or breach by the CIG Purchaser or by CIG (only where CIG's actions or omissions were Caused by Smith), of the CIG Subscription and Share Purchase Agreement, which would prevent the satisfaction of, or compliance with, any of the conditions to closing in favour of the CIG Vendor by the Outside Date and such violation or breach has not been waived by the CIG Vendor or cured by the CIG Purchaser or CIG within five (5) Business Days of the CIG Vendor providing notice of such breach, unless the CIG Vendor is in material breach of its obligations under the CIG Subscription and Share Purchase Agreement at such time; or</p> <p>(e) by the CIG Purchaser, if there has been a material violation or breach by the CIG Vendor or CIG (unless CIG's actions or omissions were Caused by Smith) of the CIG Subscription and Share Purchase Agreement, which would prevent the satisfaction of, or compliance with, any of the conditions to closing in favour of the CIG Purchaser by the Outside Date and such violation or breach has not been waived by the CIG Vendor or cured by the CIG Purchaser or CIG within five (5) Business Days of the CIG Purchaser providing notice of such breach, unless the CIG Purchaser is in material breach of its obligations under the CIG Subscription and Share Purchase Agreement at such time.</p> <p>Prior to the CIG Vendor and CIG agreeing to or electing to any termination of the CIG Subscription and Share Purchase Agreement, the CIG Vendor shall first obtain the consent of the Monitor and DIP Lender.</p> <p>In the event the CIG Subscription and Share Purchase Agreement is terminated pursuant to (d) above (by the CIG Vendor, where there has been a material violation or breach by the CIG Purchaser or by CIG (where CIG's actions or omissions were Caused by Smith)), the Deposit shall be transferred to the CIG Vendor as liquidated damages (and not as a penalty) to compensate the CIG Vendor for the expenses incurred and opportunities lost as a result of the failure to close the transactions under the CIG Subscription and Share Purchase Agreement.</p>

27. The CIG Subscription and Share Purchase Agreement contemplates that the Closing shall take place in the following sequence:

- (a) First, the CIG Purchaser shall pay the Share Purchase Price and the Cash Payment to be held in escrow by the Monitor (on behalf of the CIG Vendor and CIG) to be released in accordance with the steps below;
- (b) Second, CIG shall purchase the Transferred Assets from the CIG Vendor and CIG shall issue the Transferred Asset Promissory Note to the CIG Vendor in consideration for same;
- (c) Third, the CIG Vendor shall cause Residual Co. to assume the Excluded Liabilities and Excluded Assets, if any, and CIG shall issue the Excluded Liability Promissory Note to Residual Co. in consideration for same;
- (d) Fourth, the CIG Purchaser shall acquire the Purchased Shares and the Share Purchase Price will be released from escrow by the Monitor for the benefit of the CIG Vendor, but shall continue to be held by the Monitor on the CIG Vendor's behalf;
- (e) Fifth, CIG shall issue, and the CIG Purchaser shall purchase, the Subscribed Shares, and the Adjusted Subscription Price shall be released from escrow for the benefit of CIG, but shall continue to be held by the Monitor on CIG's behalf;
- (f) Sixth, CIG shall satisfy the amount owing under the Excluded Liability Promissory Note using the required portion of the proceeds of the Adjusted Subscription Price, although the Monitor shall continue to hold such amount on behalf of Residual Co.; and
- (g) Seventh, CIG shall satisfy the amount owing under the Transferred Asset Promissory Note using the remaining proceeds of the Adjusted Subscription Price, although the Monitor shall continue to hold such amount on behalf of the CIG Vendor.

Proceeds

28. Pursuant to the terms of the CIG Subscription and Share Purchase Agreement and in accordance with the CIG Approval and Vesting Order, certain payments will be made

from the proceeds of Closing to pay the debt claims against CIG of BioAcuity Consulting in the amount of \$137,230, Fitzgerald & Snow (2010) Ltd. in the amount of \$81,627 and Hansen Electric Ltd. in the amount of \$159,517.32. The CIG Purchaser advised that it requires these claims to be paid in full from the Proceeds as the CIG Purchaser is of the view that these vendors provide essential services to CIG and as such payment is necessary to ensure their continued provision of services to CIG following Closing.

29. The Share Purchase Price and the remaining portion of the Adjusted Subscription Price will be held by the Monitor for the benefit of the CIG Vendor, subject to further order of the Court.
30. The net proceeds from the sale of the Purchased Shares and the proceeds of the Transferred Asset Promissory Note shall be allocated to the CIG Vendor, and the net proceeds from the issuance of the Subscribed Shares shall be allocated to Residual Co. In each case, all claims and encumbrances shall attach to the proceeds of same with the same priority as they had with respect to the Purchased Shares, the Transferred Assets and the Purchased Entity Property (as defined in the CIG Approval and Vesting Order) immediately prior to the sale, subject to the terms of the CIG Approval and Vesting Order.

Monitor's Recommendations

31. In light of the above, the Monitor's view is that the CIG Subscription and Share Purchase Agreement and the transactions contemplated therein represent the highest and best possible outcome for the FIGR Group's stakeholders. The Monitor recommends that the Court approve the CIG Subscription and Share Purchase Agreement and the transactions contemplated thereby for the following reasons:
 - (a) the CIG Subscription and Share Purchase Agreement is the product of a broad, transparent and fair Court-approved SISP and will result in the most favourable combination of cash consideration and certainty to close a transaction in respect of certain of the property and business of the FIGR Group related to CIG as compared to any other Phase 2 Bid;

- (b) the CIG Purchaser is led by a member of the CIG management team who is experienced with the business and has strong relationships with other members of the management team, the customers and suppliers of CIG;
- (c) the individual leading the CIG Purchaser holds necessary security clearances to maintain the Cannabis Licenses and is currently designated by CIG as the “responsible person” in respect of the Cannabis Licenses;
- (d) it is expected that the majority of employees of CIG will remain employed by CIG;
- (e) the consideration paid for the Transferred Assets is reasonable as it is composed of the value of the intellectual property transferred and an estimated nominal amount agreed upon for the value of the tangible assets transferred. Specifically, the Transferred Asset Purchase Price is fair and reasonable, considering that the intellectual property constitutes the vast majority of the Transferred Assets, it was only developed in the past year and its value is representative of book value;
- (f) the CIG Subscription and Share Purchase Agreement is not conditional upon financing or any specific treatment of the Minority Shareholders;
- (g) the FIGR Group’s entrance into the CIG Subscription and Share Purchase Agreement is supported by Pyxus and the DIP Lender;
- (h) the CIG Transaction is expected to close prior to the Outside Date of July 31, 2021;
- (i) the CIG Subscription and Share Purchase Agreement is the best offer received through the SISP and offers a greater recovery than any other Phase 2 Bid;
- (j) the economic effect of the subscription and share purchase pursuant to the CIG Transaction combined with a reverse vesting order is consistent with the intended effect of an asset sale with a conventional vesting order;

- (k) the reverse vesting order structure is appropriate because the CIG Purchaser would not proceed with the transaction by way of an asset purchase agreement due to the regulatory challenges, delays and uncertainty associated with the requirement in an asset sale transaction to obtain new cannabis licenses; and
 - (l) the reverse vesting order structure is beneficial in the circumstances because it: (i) allows the CIG Transaction to close in a shorter time period compared to an asset sale (because of the requirement to apply for and obtain new cannabis licenses); and (ii) reduces the regulatory uncertainty, and thereby closing risk, associated with new cannabis licenses, which (i) and (ii) combine to reduce the uncertainty for the business and employees of CIG, lower professional costs and facilitate a more efficient administration of the CCAA Proceedings; and
 - (m) in the Monitor's view, no stakeholders will be prejudiced by the reverse vesting order structure, and for the reasons set out above, the structure is less detrimental for all parties than a conventional asset sale with a vesting order.
32. The Monitor is also of the view that it is appropriate in the circumstances to allow the unredacted CIG Subscription and Share Purchase Agreement to be sealed, since it contains financial terms of the CIG Transaction which are commercially sensitive. Disclosure of the unredacted CIG Subscription and Share Purchase Agreement could have an adverse impact on the CIG Purchaser's business. The Monitor does not believe any person would be prejudiced by the sealing of the unredacted CIG Subscription and Share Purchase Agreement.

F. APPROVAL OF THE NORFOLK TRANSACTION

33. The FIGR Group and its counsel, in consultation with the Monitor and its counsel and the DIP Lender negotiated and finalized the terms of a proposed asset purchase agreement (the "**Norfolk Sale Agreement**") with the Norfolk Purchaser and its counsel. A copy of the redacted Norfolk Sale Agreement is attached to the June 2 Devon Affidavit. A copy of the unredacted Norfolk Sale Agreement is attached as a sealed exhibit to the June 2 Devon Affidavit. Capitalized terms in this section not otherwise defined herein have the meaning ascribed to them in the Norfolk Sale Agreement.

34. The Norfolk Successful Bid has no financing conditions. In addition, the Norfolk Purchaser paid a deposit to the Monitor in trust upon execution of the Norfolk Sale Agreement.

35. Certain key terms of the Norfolk Sale Agreement are summarized in the table below.

Term	Description
Purchased Assets	<p>The Norfolk Purchaser shall purchase all of the Norfolk Vendor's right, title and interest in, to and under the Purchased Assets, excluding any Non-Assignable Interests, including without limitation any Consent Required Contracts and licenses for which an Assignment Order or counterparty consent has not been obtained or which by their nature are not assignable, and free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Norfolk Approval and Vesting Order.</p> <p>The Purchased Assets are substantially all of the assets held by the Norfolk Vendor.</p>
Deposit	The Norfolk Purchaser has paid a Deposit equal to 10% of the Purchase Price, upon execution of the Norfolk Sale Agreement.
Purchase Price	The Purchase Price shall be satisfied by payment in immediately available funds of the Deposit and an amount equal to the Purchase Price, less the Deposit, to be paid on the Closing Date.
Outside Date	June 30, 2021 or such later date as the Norfolk Vendor (with the consent of the Monitor and the DIP Lender) may designate, in its sole discretion, on not less than five (5) Business Days' notice to the Norfolk Purchaser, or in any event as otherwise ordered by the Court.
Excluded Assets	All of the Norfolk Vendor's right, title and interest, in and to those assets that are not Purchased Assets, including all Cannabis Licenses.

Assumed Obligations	<p>The Norfolk Purchaser shall assume and shall perform, discharge and pay when due, as the case may be, the following obligations and liabilities of the Norfolk Vendor (the “Assumed Obligations”):</p> <ul style="list-style-type: none"> a) all debts, liabilities, obligations under the Contracts (to the extent assigned or transferred to the Norfolk Purchaser on Closing) for the period from and after the Closing Time; b) the obligation and liability of the Norfolk Vendor to pay Cure Costs in respect of any Consent Required Contract; c) all debts, liabilities and obligations arising from and after the Closing Date with respect to Transferred Employees; d) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time; and e) any other liability which the Norfolk Purchaser agrees in writing to assume on or before the Closing Date.
Excluded Obligations	<p>Other than the Assumed Obligations, the Norfolk Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Norfolk Vendor (collectively, the “Excluded Obligations”), including, without limiting the generality of the foregoing:</p> <ul style="list-style-type: none"> a) Claims related to any Excluded Asset; b) subject to certain exceptions, all debts, liabilities and obligations related to any Purchased Asset or the business of the Norfolk Vendor arising out of or related to the period prior to the Closing Time; c) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre- Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes payable by the Norfolk Purchaser under the Norfolk Sale Agreement); and d) all debts, liabilities and obligations of the Norfolk Vendor arising under the Norfolk Sale Agreement.

Employees	<p>At least five (5) days in advance of the Closing Date, the Norfolk Purchaser shall make a written offer of employment, which will be conditional upon Closing, to certain specified Employees. The Norfolk Purchaser may provide to the Norfolk Vendor the names of additional Employees to whom the Norfolk Purchaser shall make a written offer of employment up to five (5) days in advance of the Closing Date.</p> <p>Immediately following the Closing, the Norfolk Purchaser shall provide each Transferred Employee with terms and conditions of employment that are substantially the same in all material respects as the terms and conditions of employment provided by the Norfolk Vendor immediately prior to the Closing.</p>
Conditions to Closing	<p>The closing of the Norfolk Transaction is conditional upon the following notable conditions:</p> <ul style="list-style-type: none"> a) all representations and warranties of the Norfolk Vendor and the Norfolk Purchaser contained in the Norfolk Sale Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that time; b) the Norfolk Vendor shall maintain the Cannabis Licences up to the date of Closing and shall use commercially reasonable efforts to cooperate with the Norfolk Purchaser or the Purchaser Cannabis Licensees in the process of obtaining the Purchaser Cannabis Licences from Health Canada; c) the Norfolk Approval and Vesting Order shall have been obtained and shall not have been reversed, stayed, varied, or vacated; and d) the Norfolk Purchaser shall have obtained the Purchaser Cannabis Licenses.

Termination	<p>The Norfolk Sale Agreement may be terminated at any time prior the Closing Time as follows:</p> <ul style="list-style-type: none"> a) by mutual written agreement of the Norfolk Vendor (with the consent of the Monitor) and the Norfolk Purchaser; b) by the Norfolk Vendor (with the consent of the Monitor) or the Norfolk Purchaser should Closing not have occurred or not prior to 11:59 pm Eastern Time on the Outside Date; c) by the Norfolk Vendor if there has been a material violation or breach by the Norfolk Purchaser of the Norfolk Sale Agreement which would prevent the satisfaction of, or compliance with, any condition in favour of the Norfolk Vendor, by the Outside Date or, if any event has occurred as a result of which the conditions in favour of the Norfolk Vendor or the Norfolk Purchaser are not capable of being satisfied by the Outside Date, and such violation or breach has not been waived by the Norfolk Vendor or cured within five (5) Business Days of the Norfolk Vendor providing written notice to the Norfolk Purchaser of such breach, unless the Norfolk Vendor is in material breach of its obligations; or d) by the Norfolk Purchaser, if there has been a material violation or breach by the Norfolk Vendor of the Norfolk Sale Agreement which would prevent the satisfaction of, or compliance with, any condition in favour of the Norfolk Purchaser, by the Outside Date and such violation or breach has not been waived by the Norfolk Purchaser or cured within five Business Days of the Norfolk Purchaser providing written notice to the Norfolk Vendor of such breach, unless the Norfolk Purchaser is in material breach of its obligations. <p>Prior to the Norfolk Vendor agreeing to or electing to any termination, the Norfolk Vendor shall first obtain the written consent of the Monitor and the DIP Lender.</p>
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Proceeds

37. The Purchase Price will be held by the Monitor for the benefit of the CIG Vendor, subject to further order of the Court.

Monitor's Recommendations

38. In light of the above, the Monitor's view is that the Norfolk Sale Agreement and the transactions contemplated therein represent the highest and best possible outcome for the

FIGR Group's stakeholders. The Monitor recommends that the Court approve the Norfolk Sale Agreement for the following reasons:

- (a) the Norfolk Sale Agreement is the product of a broad, transparent and fair Court-approved SISP;
- (b) the Norfolk Sale Agreement is the best offer received through the SISP and offers a greater recovery than any other Phase 2 Bid for the Norfolk Purchased Assets;
- (c) it is expected that many of the Norfolk Vendor's employees will be offered employment by the Norfolk Purchaser and the Norfolk Purchaser intends to operate the business of the Norfolk Vendor as a going concern upon Closing; and
- (d) the FIGR Group, the DIP Lender and the Monitor are supportive of the Norfolk Sale Agreement.

39. The Monitor is also of the view that it is appropriate in the circumstances to allow the unredacted Norfolk Sale Agreement to be sealed, since it contains financial terms of the Norfolk Transaction which are commercially sensitive. Disclosure of the unredacted Norfolk Sale Agreement could have an adverse impact on the Norfolk Purchaser's business. The Monitor does believe any person would be prejudiced by the sealing of the unredacted Norfolk Sale Agreement.

G. UPDATE ON THE EMPLOYEE CLAIMS PROCEDURE

40. The Employee Claims Procedure is being carried out in accordance with the Employee Claims Procedure Order. Capitalized terms used in this section but not defined have the meanings ascribed to them in the Employee Claims Procedure Order.

41. The Monitor sent Employee Claims Packages to former Employees within ten (10) Business Days of their employment being terminated if their employment was terminated following the date the Employee Claims Procedure Order was granted, or their temporary layoff ceasing to be temporary under the *Employment Standards Act, 2000*, S.O. 2000, c. 41, as amended (or similar applicable provincial statute), if this occurs following the date the Employee Claims Procedure Order is granted.

42. The Monitor continues to carry out the Employee Claims Procedure and will provide additional updates in due course.

H. UPDATE ON THE CLAIMS PROCEDURE

43. The Claims Procedure is being carried out in accordance with the Claims Procedure Order. Capitalized terms used in this section not otherwise defined have the meaning ascribed to them in the Claims Procedure Order.

44. A summary of the Claims filed by the Claims Bar Date of April 6, 2021 was provided in the Fourth Report.

45. Two (2) claimants filed claims after the Claims Bar Date (the “**Late Claims**”). The Late Claims filed April 7, 2021 totalled \$434,781.32 and the Late Claim filed May 18, 2021 totalled \$2,347.73.

46. The Monitor is of the view that not disallowing the Late Claims simply because they were submitted following the Claims Bar Date will not prejudice any of the creditors of the FIGR Group and as such the Monitor does not intend to disallow the Late Claims for that reason.

47. The Monitor continues to review, determine and adjudicate certain outstanding secured and unsecured Claims filed in accordance with the Claims Procedure Order. A number of the Claims were filed without sufficient information or supporting evidence. After reviewing such Claims the Monitor identified missing information and is in the process of following up with a number of these Claimants to request the information required. The Monitor has reviewed, and continues to review, the additional information and evidence when provided.

I. PROPOSED PRE-FILING INTERCOMPANY CLAIMS RESOLUTION PROCESS

48. As of the Pre-Filing Intercompany Claims Bar Date, the Monitor received 5 Pre-Filing Intercompany Claims in the aggregate amount of \$355,234,872.66.

49. For each entity of the FIGR Group, the Monitor identified and summarized the net intercompany payable/receivable balances from the procedures outlined in paragraph 51 below. The receivable balances represent the Pre-Filing Intercompany Claims against the FIGR Group entities and have been summarized in the below table:

Claims (\$ millions)	FIGR Brands, Inc.	FIGR Norfolk Inc.	Canada's Island Garden Inc.	Total
FIGR Brands, Inc.	\$ -	\$ 47.9	\$ 104.2	\$ 152.2
FIGR Norfolk Inc.	\$ -	\$ -	\$ 9.0	\$ 9.0
Canada's Island Garden Inc.	\$ -	\$ 0.0	\$ -	\$ 0.0
AOTC	\$ 194.0	\$ -	\$ -	\$ 194.0
Total	\$ 194.0	\$ 48.0	\$ 113.2	\$ 355.2

50. The Pre-Filing Intercompany Claims consist of the following claims:

- (a) against FIGR Brands by AOTC in the amount of \$194,040,548.19 and relating primarily to pre-filing debt;
- (b) against FIGR Norfolk by FIGR Brands in the amount of \$47,922,455.86 and relating primarily to pre-filing debt;
- (c) against FIGR Norfolk by CIG in the amount of \$36,536.34 and relating primarily to logistics and shipping-related costs;
- (d) against CIG by FIGR Brands in the amount of \$104,237,489.78 and relating primarily to pre-filing debt; and
- (e) against CIG by FIGR Norfolk in the amount of \$8,997,842.50 and relating primarily to inventory sales.

51. The steps the Monitor has taken to determine the validity and quantum of the Pre-Filing Intercompany Claims are as follows:

- (a) the Monitor reviewed supporting schedules provided with each claim relating to historical transfers and calculations between entities of the FIGR Group, as well as supporting invoices and/or bank records on a sample basis, where applicable;

- (b) the Monitor prepared a summary of receipts, disbursements and calculated interest by counterparty for the FIGR Group and from this analysis, was able to confirm total intercompany transactions by debtor entity; and
 - (c) the Monitor also identified and accounted for any intercompany transactions that were not in the form of direct transfers from one entity in the FIGR Group to another. These would have arisen as a result of payments by one entity of the FIGR Group to a third party on behalf of a different entity in the FIGR Group. In these instances, the Monitor reviewed the supporting documentation provided and compared the same to the FIGR Group's records.
52. The determination of Pre-Filing Intercompany Claims by the Monitor and the filing of a Pre-Filing Intercompany Claims Report is contemplated by paragraph 41 of the Claims Procedure Order which provides that, inter alia, any interested party has seven (7) days from the date the Monitor serves the Pre-Filing Intercompany Claims Report to file a notice of objection to the Monitor's Proposed Pre-Filing Intercompany Resolution Process, failing which the Proposed Pre-Filing Intercompany Claims Resolution Process shall be implemented without the need of a further Court order. Given the timing of the June 9 Motion, the Applicants are seeking approval of the Proposed Pre-Filing Intercompany Claims Resolution Process in connection with the Second Ancillary Order.
53. As contemplated in the Claims Procedure Order, the Monitor is required to serve on the Service List and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as each term is defined in the Claims Procedure Order). A determination of the validity and quantum of the Pre-Filing Intercompany Claims is required before any distribution can be made to stakeholders of the FIGR Group. The Monitor is of the view that it is necessary to commence the Proposed Pre-Filing Intercompany Claims Resolution Process at this time in order to advance the CCAA Proceedings.
54. The Proposed Pre-Filing Intercompany Claims Resolution Process is as follows:

- (a) the Monitor has detailed and summarized the Pre-Filing Intercompany Claims in this Fifth Report;
- (b) any Person that wishes to object to the validity or quantum of any of the Pre-Filing Intercompany Claims as set out in this Fifth Report must serve an objection (each, a “**Pre-Filing Intercompany Claims Objection**”) by no later than 5:00 p.m. (Toronto time) on the date that is thirty (30) days after the Monitor serves the Pre-Filing Intercompany Claims Notice (as defined below) (the “**Pre-Filing Intercompany Claims Objection Date**”);
- (c) the Monitor will provide a notice of the Pre-Filing Intercompany Claims set out in this Fifth Report (the “**Pre-Filing Intercompany Claims Notice**”) by email to the Service List as well as to each Claimant that has submitted a Proof of Claim or Employee Claimant who has received an Employee Claim Statement, by email to the email address indicated on such Proof of Claim or Employee Claim Statement. The Pre-Filing Intercompany Claims Notice will: (i) provide an electronic link to the Fifth Report and indicate that the Monitor’s review and summary of the Pre-Filing Intercompany Claims is set out therein; (ii) provide an electronic link to the Second Ancillary Order; and (iii) reference the Pre-Filing Intercompany Claims Objection Date;
- (d) Pre-Filing Intercompany Claims Objections must be in writing, must particularize the grounds for objection and be provided to the Monitor, with a copy to the Service List, on or before the Pre-Filing Intercompany Claims Objection Date. A copy of the Service List is available on the Monitor’s Website;
- (e) the Monitor will work with Persons, if any, who filed a Pre-Filing Intercompany Claims Objection to resolve or settle any Pre-Filing Intercompany Claims Objection;
- (f) in the event that a Pre-Filing Intercompany Claims Objection cannot be resolved, the Monitor may seek a scheduling appointment before the Court, on notice to the Service List, to seek a schedule for the hearing of a motion to determine the

validity and quantum of one or more of the Pre-Filing Intercompany Claims. Prior to such motion, the Monitor shall prepare a further report summarizing: all Pre-Filing Intercompany Claims Objections received and the Monitor's view and recommendation to the Court with respect to the Pre-Filing Intercompany Claims Objections; and

- (g) in the event that no Person serves a Pre-Filing Intercompany Claims Objection by the Pre-Filing Intercompany Claims Objection Date, the Monitor shall advise the Service List in writing that no Pre-Filing Intercompany Claims Objections were received, and that the Pre-Filing Intercompany Claims as set out in the Fifth Report are deemed to be accepted as valid claims without further order of the Court.

Monitor's Recommendations

- 55. The Monitor is of the view that the Proposed Pre-Filing Intercompany Claims Process is fair and provides interested stakeholders with the time necessary to review the Pre-Filing Intercompany Claims and, if they wish to, object to the Pre-Filing Intercompany Claims. It also provides time to work with any stakeholders that serve a Pre-Filing Intercompany Claims Objection and to attempt to resolve any Pre-Filing Intercompany Claims Objections. Accordingly, the Monitor recommends that this Court approve the Proposed Pre-Filing Intercompany Claims Process.

J. RECEIPTS AND DISBURSEMENTS

- 56. The FIGR Group's actual negative net cash flow from operations on a consolidated basis for the nine-week period ending May 21, 2021 was approximately \$4.3 million, compared to a forecast negative cash flow from operations of approximately \$5.7 million as noted in the Cash Flow Projection filed as Appendix "A" to the Fourth Report, representing a positive variance of approximately \$1.4 million as summarized below.

(\$CAD in thousands)	9 Week Cumulative to 21-May-21			
	Actual	Forecast	\$ Difference	% Difference
Receipts				
Receipts from Operation	3,250	5,734	(2,484)	-43%
Other Receipts	104	196	(92)	-47%
Total Receipts	3,354	5,930	(2,576)	-43%
Operating Disbursements				
Payroll and Employee Related Costs	(1,634)	(1,696)	62	4%
Rent and Property Taxes	(71)	(57)	(14)	-25%
Taxes and Levies	(1,209)	(1,373)	164	12%
Other Operating Expenses	(2,898)	(6,231)	3,333	53%
Capital Expenditures	(22)	(291)	269	92%
Total Operating Disbursements	(5,834)	(9,648)	3,814	40%
Net Cash from Operations	(2,480)	(3,718)	1,238	33%
Restructuring Disbursements	(1,833)	(1,966)	133	7%
NET CASH FLOWS	(4,313)	(5,684)	1,371	24%
Cash				
Beginning Balance	1,967	1,967	-	0%
Net Receipts/ (Disbursements)	(4,313)	(5,684)	1,371	24%
DIP Advances/ (Repayments)	3,492	4,518	(1,026)	23%
Ending Balance	1,146	801	345	-43%

57. Explanations for key variances are as follows:

- (a) the negative variance in Receipts from Operations of approximately \$2.5 million is due to lower than forecasted sales;
- (b) the positive variance in Other Operating Expenses of approximately \$3.3 million primarily relates to lower spending, a portion of which is temporary and expected to reverse in upcoming weeks, with the remaining portion being permanent in nature due to lower volume;
- (c) the positive variance in Capital Expenditures of approximately \$0.3 million relates to reduced spending; and
- (d) the positive variance in Restructuring Disbursements of approximately \$0.1 million is a timing variance and is expected to reverse in upcoming weeks.

K. STAY EXTENSION AND DIP AMENDMENT

58. The Stay Period currently expires on June 30, 2021.

59. The FIGR Group is seeking a further extension of the Stay Period to September 3, 2021 as it will allow the Monitor, with the assistance of the FIGR Group, to complete the transactions contemplated by the CIG Subscription and Share Purchase Agreement and Norfolk Sale Agreement and advance the Claims Procedure and the Employee Claims Procedure, which will ultimately preserve and maximize the value of the Applicants' business for their stakeholders.
60. The FIGR Group and the DIP Lender have agreed to an amendment of the DIP Facility (the "**Second DIP Amendment**"), an executed copy of which is attached hereto as **Appendix "A"**. Capitalized terms in this section, not otherwise defined herein, have the meaning ascribed to them in the Second DIP Amendment.
61. The Second DIP Amendment provides for, among other things:
- (a) an increase to the DIP Facility of \$3,000,000 from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs); and
 - (b) an extension of the maturity date of the DIP Facility from June 30, 2021 to September 3, 2021.
62. The Second DIP Amendment includes additional conditions that are required in order for the Second DIP Amendment to be effective including an order granted by the Court, in a form acceptable to the DIP Lender and the FIGR Group, approving the Second DIP Amendment.
63. The Applicants are also seeking approval from the Court to increase the DIP Lender's Charge to \$16,000,000 (plus interest and costs) in order to correspond with the amended DIP Facility, provided the Court approves the Second DIP Amendment.
64. As is demonstrated in the cash flow projection attached to this Fifth Report as Appendix "**B**" (the "**Revised Cash Flow Projection**"), the FIGR Group is forecast to have sufficient liquidity to fund their obligations and the costs of the CCAA Proceedings through the end of the extended Stay Period with the increase to the DIP Facility

contemplated in the Second DIP Amendment. The Revised Cash Flow Projection is summarized below:

(SCAD in thousands)

	15 Week Between W/E May-28 and W/E Sep-3
	Total
Receipts	
Receipts from Operation	1,580
Sub-Debt Funding	-
Other Receipts	-
Total Receipts	1,580
Operating Disbursements	
Payroll and Employee Related Costs	(1,409)
Rent and Property Taxes	(179)
Taxes and Levies	(930)
Other Operating Expenses	(2,922)
Capital Expenditures	(124)
Total Operating Disbursements	(5,564)
Net Cash from Operations	(3,984)
Restructuring Disbursements	(1,637)
KERP	(48)
Total Restructuring Disbursements	(1,685)
NET CASH FLOWS	(5,669)
Cash	
Beginning Balance	1,146
Net Receipts/ (Disbursements)	(5,669)
DIP Advances/ (Repayments)	5,323
Ending Balance	800

65. The proposed Second Ancillary Order seeks to authorize or empower the Applicants (or the Monitor on behalf of the Applicants) to make, or to cause to be made, distributions from funds or proceeds held now or received in the future by the Applicants (or the Monitor on behalf of the Applicants) to the DIP Lender in repayment of the obligations secured by the DIP Lender's Charge.
66. The Monitor expects that amounts held in reserve by the Applicants (or the Monitor on behalf of the Applicants) will be sufficient to cover the repayment of prior encumbrances such as the Administration Charge and Director's Charge (as such terms are defined in the Amended and Restated Initial Order).

Monitor's Recommendations

67. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by the proposed extension of the Stay Period and that the

proposed extension of the Stay Period is necessary to permit the FIGR Group to complete the CIG Transaction and Norfolk Transaction, in furtherance of the interests of the FIGR Group and its stakeholders. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence and that the circumstances support an extension of the Stay Period.

68. The Monitor is supportive of the Second DIP Amendment and the corresponding increase to the DIP Lender's Charge and believes that each is reasonably necessary in order to ensure that the FIGR Group has sufficient liquidity available to continue its ordinary course operations and to enable the FIGR Group to complete the CIG Transaction and Norfolk Transaction, in furtherance of the interests of the FIGR Group and its stakeholders.

L. APPROVAL OF THE MONITOR'S FEES AND ACTIVITIES

69. The Monitor and its legal counsel, Cassels, have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time, in accordance with paragraph 30 of the Amended and Restated Initial Order, as part of the costs of the CCAA Proceedings.
70. Pursuant to previous orders of the Court, the fees and disbursements of the Monitor and Cassels for periods prior to April 18, 2021 were approved.
71. The Monitor and Cassels have maintained records of their professional time and costs. The Monitor now requests approval of its fees and disbursements for the period from April 19, 2021 to May 31, 2021, and the fees and disbursements for Cassels for the period principally from April 19, 2021 to May 14, 2021.
72. The total fees and disbursements of the Monitor for the period of April 19, 2021 to May 31, 2021 total \$803,696.34, including fees in the amount of \$710,971.00, disbursements in the amount of \$264.69, and HST in the amount of \$92,460.65, as more particularly described in the affidavit of Jeffrey Rosenberg sworn June 3, 2021 (the "**Rosenberg Affidavit**"), a copy of which is attached hereto as **Appendix "C"**. Certain of the time

entries in the accounts attached to the Rosenberg Affidavit have been redacted for commercial sensitivity.

73. The total fees and disbursements of Cassels principally from April 19, 2021 to May 14, 2021 total \$229,147.62, including fees in the amount of \$202,785.50, and HST in the amount of \$26,362.12, as more particularly described in the affidavit of Ryan Jacobs sworn June 3, 2021 (the “**Jacobs Affidavit**”, together with the Rosenberg Affidavit, the “**Fee Affidavits**”), a copy of which is attached hereto as **Appendix “D”**. Certain of the time entries in the accounts attached to the Jacobs Affidavit have been redacted for privilege.
74. The Monitor respectfully submits that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully requests the approval of the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits.
75. The Monitor is also requesting approval of this Fifth Report and the activities of the Monitor described herein.

M. CONCLUSION

76. For the reasons stated in this Fifth Report, the Monitor supports the relief sought by the FIGR Group in connection with the June 9 Motion. The Monitor respectfully submits to the Court this, its Fifth Report.

Dated this 4th day of June, 2021.

FTI Consulting Canada Inc.
In its capacity as Monitor of
FIGR Brands, Inc. and the other corporations in the FIGR Group



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Managing Director

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIGR BRANDS, INC., *et al.*

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA
INC.,
IN ITS CAPACITY AS MONITOR**

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Lawyers for FTI Consulting Canada Inc., in its
capacity as Monitor

APPENDIX “B”

[ATTACHED]

Fourth Amendment to the Asset Purchase Agreement

This Fourth Amendment to the Asset Purchase Agreement dated as of January 1, 2022 (the "**Fourth Amendment**"), is by and between FIGR Norfolk Inc., an Ontario corporation (the "**Vendor**"), and 11897985 Canada Inc. (dba) BEROXFOOD North America, an Ontario corporation (the "**Purchaser**"), and FTI Consulting Canada Inc. in its capacity as the Monitor of the CCAA Applicants (the "**Monitor**", collectively with the Vendor and the Purchaser, the "**Parties**" and each a "**Party**") and consented to by Alliance One Tobacco Canada Inc. (the "**DIP Lender**").

WHEREAS, the Vendor and the Purchaser entered into a certain Asset Purchase Agreement, dated May 10, 2021 (the "**Asset Purchase Agreement**"), under which, among other things, the Vendor agreed to sell, assign and transfer to the Purchaser, and the Purchaser agreed to purchase from the Vendor, all of the Vendor's right, title and interest in, to and under the Purchased Assets, excluding any Non-Assignable Interests, free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order (as defined below) (the "**Transaction**").

AND WHEREAS, the Asset Purchase Agreement, with such minor amendments as the Vendor and the Purchaser may deem necessary (with approval of the Monitor and DIP Lender), and the Transaction were approved by the Court pursuant to the Approval and Vesting Order granted on June 10, 2021 (the "**Approval and Vesting Order**").

AND WHEREAS, the Vendor and the Purchaser entered into a First Amendment to the Asset Purchase Agreement dated June 28, 2021 (the "**First Amendment**"), under which, among other things, the Parties mutually agreed that: (i) the Outside Date be extended to July 30, 2021; and (ii) the time for the Purchaser to satisfy the Financing Covenant be extended to July 16, 2021.

AND WHEREAS, the Purchaser provided the Monitor with certain financing documents in connection with the Financing Covenant via email on July 16, 2021 (the "**Purchaser Financing Documents**").

AND WHEREAS, on July 20, 2021, the Vendor issued a letter to the Purchaser in respect of the Purchaser Financing Documents and reserved all of its rights in connection with the Financing Covenant.

AND WHEREAS, the Vendor and the Purchaser entered into a Second Amendment to the Asset Purchase Agreement dated August 9, 2021 (the "**Second Amendment**"), under which, among other things, the Parties mutually agreed that the Outside Date be extended to August 31, 2021.

AND WHEREAS, the Vendor and the Purchaser entered into a Third Amendment to the Asset Purchase Agreement dated October 13, 2021 (the "**Third Amendment**"), under which, among other things: (i) the Parties mutually agreed that the Outside Date be extended to October 29, 2021; and (ii) section 9.6 of the Asset Purchase Agreement was modified to reflect the terms of the Approval and Vesting Order.

AND WHEREAS, the Outside Date to close the Transaction is currently October 29, 2021 and the Vendor may designate as the Outside Date a later date in its sole discretion (with the consent of the Monitor and the DIP Lender) upon providing at least 5 Business Days' notice to the Purchaser.

AND WHEREAS, the Purchaser has agreed to provide certain acknowledgments related to the Asset Purchase Agreement and the Transaction.

AND WHEREAS, the Vendor has requested that the Purchaser provide certain confirmations related to the Transaction.

AND WHEREAS, the Purchaser wishes to amend the Anticipated Transferred Employees and the Outside Date.

AND WHEREAS, the Purchaser wishes to complete certain work at the FIGR Norfolk Facility prior to Closing.

AND WHEREAS, the Parties have mutually agreed: (i) that the Purchaser will provide the Acknowledgements and HST Confirmation (each as defined below); (ii) that the Purchaser Work (as defined below) may be performed at the FIGR Norfolk Facility prior to Closing subject to the conditions as set out below; (iii) that the Outside Date shall be further extended until January 14, 2022; and (iv) that Schedule "F" of the Asset Purchase Agreement shall be modified as set out below.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. All capitalized terms used in this Fourth Amendment but not otherwise defined herein are given the meanings set forth in the Asset Purchase Agreement.
2. Additional Acknowledgements. The Purchaser and Vendor acknowledge and agree to the following as it relates to the Transaction and the Asset Purchase Agreement:
 - (a) the Phase 2 environmental assessment commissioned by the Purchaser in respect of the Purchased Assets and any corresponding report (collectively, the "**Phase 2 Assessment**") shall be completed by no later than December 17, 2021;
 - (b) the Vendor agrees to a \$10,000.00 reduction to the Purchase Price that shall be adjusted on Closing; and
 - (c) Closing of the Transaction shall be in no way predicated on the outcome of the Phase 2 Assessment and the Vendor shall have no obligation to rectify or pay to rectify any issues identified in the Phase 2 Assessment (collectively, the "**Acknowledgements**").
3. FIGR Norfolk Facility. The Purchaser and the Vendor agree that the Purchaser, subject to the prior written consent of the Vendor and the Monitor, and under the supervision of the Vendor and the Monitor, shall, at its sole cost, be entitled to complete certain work as described in Schedule "A" appended hereto at the FIGR Norfolk Facility prior to the Closing Date in order to ensure that the FIGR Norfolk Facility meets certain operational standards (the "**Purchaser Work**") following the Closing Date. Prior to commencing any of the Purchaser Work, the Purchaser shall pay a deposit of \$15,000 to the Monitor (the "**Damage Deposit**"). The Purchaser shall indemnify and save harmless the Vendor from any damage caused by the Purchaser Work and any costs associated with the remediation thereof and the cost to repair or remediate any damage to the FIGR Norfolk Facility arising as a result of the Purchaser Work

shall be deducted from the Damage Deposit. For greater certainty, any balance remaining from the Damage Deposit upon completion of the Purchaser Work shall be applied on Closing to the Purchase Price.

4. Amendments.

(a) The reference in the definition of "Outside Date" to "October 29, 2021" is hereby amended to "January 14, 2022".

(b) Schedule "F" of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with Schedule "B" appended hereto.

5. Terms of the Asset Purchase Agreement. Except as expressly stated in this Fourth Amendment, the terms of the Asset Purchase Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, remain unamended and in full force and effect. Nothing in this Fourth Amendment shall constitute a waiver of any provision of the Asset Purchase Agreement, as amended by the First Amendment, Second Amendment and Third Amendment.

6. Governing Law and Jurisdiction. This Fourth Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court.

7. Counterparts. This Fourth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Fourth Amendment shall be deemed to constitute due and sufficient delivery of such counter part.

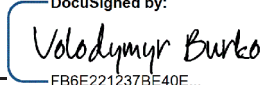
8. No Waiver / Reservation of Rights in respect of Financing Covenant. Nothing in this Fourth Amendment shall constitute or be deemed to be a waiver by the Vendor of any breach or default of the Asset Purchase Agreement or the Financing Covenant that has occurred as of the date of this Fourth Amendment and the Vendor continues to reserve all of its rights and remedies at law and under the Asset Purchase Agreement, the First Amendment, Second Amendment and Third Amendment. No failure on the part of the Vendor to exercise, and no delay in exercising, any right or remedy at law, under the Asset Purchase Agreement, the First Amendment, Second Amendment or Third Amendment, or in respect of the Financing Covenant shall operate as a waiver thereof.

9. Further Assurances. Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Fourth Amendment.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

DocuSigned by:
By  _____
FB6E221237BE40E...
Name: Volodymyr Burko
Title: President

FIGR NORFOLK INC.

By _____
Name: Michael Devon
Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Fourth Amendment as of the date first written above:

**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By _____
Name: Jeffrey Rosenberg
Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By _____
Name: Rick DeCoutere
Title: Director

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By Michael Devon

Name: Michael Devon

Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Fourth Amendment as of the date first written above:

**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By _____

Name: Rick DeCoutere

Title: Director

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Fourth Amendment as of the date first written above:

**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By  _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By _____

Name: Rick DeCoutere

Title: Director

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Fourth Amendment as of the date first written above:

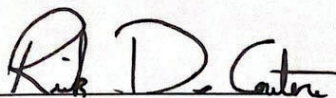
**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By  _____

Name: Rick DeCoutere

Title: Director

SCHEDULE "A"

PURCHASER WORK

- Reviewing status of the FIGR Norfolk Facility to assess sanitation/cleaning activities, pest control, preventative maintenance and temperature/humidity requirements.

- Cleaning and sanitizing the following:¹
 - Irrigation/shipping receiving area
 - 1 irrigation pump station
 - vault
 - mother room
 - corridors (north, south, east, west)
 - employee lunch room
 - washrooms
 - change rooms

- Meeting with personnel on reasonable notice to coordinate smooth transition.

- Any other matters that directly relate to the foregoing that require Partheepan Balasubramaniam's presence at the FIGR Norfolk Facility.

¹ For greater certainty, the following will not be cleaned or sanitized prior to Closing and are not included in the Purchaser Work: (i) flower rooms 1, 2, 3 and 4; (ii) drying room; (iii) packaging / trim room; and (iv) extraction room.

SCHEDULE "B"

[ATTACHED]

SCHEDULE "F"

Transferred Employees	
<i>First Name</i>	<i>Last Name</i>
Larry	Huszczo
Cathy	Armstrong
Andrew	Graham
Denise	Carter
George	Schmidt
Nate	Geiser

APPENDIX “C”

[ATTACHED]



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

Mike Shakra

Direct Line: 416.777.6236

e-mail: shakram@bennettjones.com

January 10, 2022

VIA EMAIL – WITH PREJUDICE

Mr. Ryan Atkinson
Atkinson Law Professional Corporation
100 King Street West, Suite 5700
Toronto, ON M5X 1C9
ryan@atkinsonlaw.ca

Dear Sir:

Re: Notice of Default and Immediate Termination of the Asset Purchase Agreement (the "APA") between FIGR Norfolk Inc. ("FIGR Norfolk") and 11897985 Canada Inc. (dba) BEROXFOOD North America (the "Purchaser") dated May 10, 2021, as amended pursuant to: (i) the First Amendment to the Asset Purchase Agreement dated June 28, 2021 (the "First Amendment"); (ii) the Second Amendment to the Asset Purchase Agreement dated August 9, 2021 (the "Second Amendment"); (iii) the Third Amendment to the Asset Purchase Agreement dated October 13, 2021 (the "Third Amendment"); and the Fourth Amendment to the Asset Purchase Agreement dated January 1, 2022 (the "Fourth Amendment" and together with the First Amendment, the Second Amendment and the Third Amendment, the "APA Amendments").

As you know, Bennett Jones LLP ("**Bennett Jones**") is counsel to FIGR Norfolk, FIGR Brands, Inc. and 1307849 B.C. Ltd. in connection with their proceedings under the *Companies' Creditors Arrangement Act*. We write to you in response to your correspondence dated January 8, 2022 (the "**January 8 Email**") and to provide you with notice that FIGR Norfolk elects to terminate the APA with immediate effect. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the APA, the APA Amendments or the Approval and Vesting Order in respect of the APA dated June 10, 2021, as applicable.

Pursuant to the APA, all or substantially all of FIGR Norfolk's assets were sold to the Purchaser (the "**Transaction**"). An Approval and Vesting Order in respect of the Transaction was granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on June 10, 2021. Notwithstanding the foregoing, and despite countless efforts on the part of FIGR Norfolk and the Monitor, the Transaction has yet to close.

The January 8 Email

We are in receipt of the January 8 Email and note that, in addition to certain factual inaccuracies, the January 8 Email contains a number of concerning and misleading statements.

In the January 8 Email, you note that the Purchaser will not attend the Norfolk Facility prior to closing and that it is FIGR Norfolk's responsibility to provide Health Canada compliant facilities prior to closing. As you are aware, pursuant to section 2.3 of the APA, the Purchased Assets were sold on an "as is, where is" basis. The APA and the Transaction are in no way predicated on the post-closing needs of the Purchaser. As of the date of this letter, FIGR Norfolk remains in compliance with its current Cannabis Licenses and all Applicable Law associated therewith. In an effort to facilitate certain extraordinary requests made by the Purchaser, the satisfaction of which are not and have never been conditions precedent to Closing, FIGR Norfolk agreed to facilitate the Purchaser Work on the terms set out in the Fourth Amendment. FIGR Norfolk is surprised with the Purchaser's refusal to pay the Damage Deposit and its suggestion that the Purchaser Work is FIGR Norfolk's responsibility, given its agreement to the contrary in the Fourth Amendment. Specifically, the Fourth Amendment states, among other things, the following:

"the Purchaser and the Vendor agree that the Purchaser, subject to the prior written consent of the Vendor and the Monitor, and under the supervision of the Vendor and the Monitor, shall, at its sole cost, be entitled to complete certain work... at the Norfolk Facility prior to the Closing Date in order to ensure that the Norfolk Facility meets certain operational standards (the "**Purchaser Work**") following the Closing Date. Prior to commencing any of the Purchaser Work, the Purchaser shall pay a deposit of \$15,000 to the Monitor (the "**Damage Deposit**")."

At no point has FIGR Norfolk ever indicated that it would complete the Purchaser Work prior to Closing or at any other time. Additionally, while FIGR Norfolk understands that the Phase II environmental report (the "**Phase II Report**") was completed and that there were no exceedances identified in the Phase II Report, we reiterate, as was communicated in the December Letter (as defined below) and in other communication, and as acknowledged and agreed to by the Purchaser and Vendor in the Fourth Amendment, Closing is no way predicated on the outcome of the Phase II Report. Further, no representations in respect of environmental condition have ever been made to the Purchaser whether in the APA, or otherwise.

As the record reflects, despite the Purchaser's inability to engage with and solve critical issues in a responsible and timely manner FIGR Norfolk has made countless efforts since the APA was executed in June of 2021 to assist the Purchaser in discharging its obligations under the APA. These efforts, have included, among other things drafting certain Purchaser closing documents and facilitating the assignment of certain key employees (the "**Purchaser Obligations**") to ensure that the Purchaser would not be in default of requirements under Purchaser Cannabis Licenses following Closing. Despite these efforts, a number of the Purchaser Obligations remain outstanding. In connection with the foregoing, FIGR Norfolk reminds the Purchaser that the Purchaser Obligations remain exclusively obligations of the Purchaser.



Finally, with respect to your request that Avi Freedland be copied on all communication, Mr. Freedland has and will continue to be copied on all correspondence related to the APA and the Transaction delivered by FIGR Norfolk. The January 8 Email chain (on which Mr. Freeland was not originally copied), was initiated by David Hyde in connection with your repeated failure to respond to many critical issues we have identified in connection with Closing and the urgent need to provide Health Canada with an update on whether the Purchaser would be in a position to close the Transaction on January 14, 2022.

Notice of Default and Immediate Termination of the APA

Further to the above and our correspondence dated December 3, 2021 (the "**December Letter**"); it remains FIGR Norfolk's position that the Purchaser is in default of a number of terms of the APA.

Most concerning is the Purchaser's inability to obtain sufficient financing to pay the Cash Balance on or before the Closing Date. Pursuant to a letter dated July 20, 2021 (the "**July 20 Letter**"), we acknowledged receipt of certain financing documents delivered by you via email to the Monitor on July 16, 2021 (the "**Purchaser Financing Documents**"). In the July 20 Letter, we and the Monitor identified a number of significant deficiencies in respect of the Purchaser Financing Documents that the Purchaser was required to clarify or address. To date, those deficiencies have not been addressed and the Purchaser continues to be in default of the Financing Covenant, which default has never been waived by FIGR Norfolk and for which FIGR Norfolk has repeatedly advised you that all rights in respect thereof have not been waived. In the January 8 Email, you noted that:

"The lender is in the process of completing all pre closing due diligence...."

The fact that the Purchaser's lender is still in the process of completing all pre-closing due diligence, more than 7 months following the date on which the APA was executed by the Purchaser, makes it clear that the Purchaser, as of the date of this letter, has yet to satisfy the Financing Covenant and did not satisfy the Financing Covenant on or before July 16, 2021, the last date on which the Financing Covenant could be satisfied and which date has never been extended by FIGR Norfolk. As a result, the Purchaser is in default of Section 4.3 of the APA and such default has never been cured or waived.

Pursuant to Section 4.3 of the APA, FIGR Norfolk has the right to terminate the APA with immediate effect in the event that the Financing Covenant is not satisfied prior on or prior to July 16, 2021. In light of the foregoing, FIGR Norfolk is hereby providing the Purchaser and the Monitor with written notice of default and immediate termination of the APA, pursuant to Section 4.3 of the APA.

In addition to the aforementioned default, we also note that Section 8.6(3) of the APA provides that the APA may be terminated by FIGR Norfolk if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in the APA which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2 or Section 7.3, as applicable, by the Outside Date or, if any event has occurred as a result of which any of the conditions in Sections 7.1-7.3 of the APA are not capable of being satisfied by the Outside Date, and such violation or breach has not been waived by the Vendor or cured within five (5) Business Days of



January 10, 2022

Page 4

the Vendor providing written notice to the Purchaser. As you are aware, and pursuant to the Fourth Amendment, the Outside Date is set to expire on January 14, 2022. As you are aware, Health Canada was in a position to issue the Purchaser's Cannabis Licenses in December 2021. However, given the Purchaser's inability to close the Transaction at that time, a request was made that Health Canada delay the issuance of the Purchaser's Cannabis Licenses to coincide with the revised Outside Date as amended in the Fourth Amendment. However, pursuant to the January 8 Email, you have advised that the Purchaser will not be in a position to close until at least January 21, 2022, because of, among other things, the failure to secure financing. As a result, and given that the Outside Date has not been extended beyond January 14, 2022, it appears that conditions to closing are now incapable of being satisfied prior to the expiry of the Outside Date.

As you are aware, section 4.2(d) of the APA provides that if the APA is terminated by FIGR Norfolk pursuant to Section 4.3 or 8.6(3) of the APA, the full amount of the Deposit, together with all interest accrued thereon, if any, shall become the property of, and shall be paid to and may be retained by, FIGR Norfolk as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the Transaction to close. In accordance with the terms of the APA, FIGR Norfolk intends to advise the Monitor that the Deposit has been forfeited and should be paid to FIGR Norfolk forthwith.

As we previously advised, FIGR Norfolk is required to attend before the Court prior the expiry of its current stay of proceedings (the "**Stay of Proceedings**") on February 4, 2022, to among other things, extend the Stay of Proceedings. FIGR Norfolk has secured a hearing before the Court on February 2, 2022 at 10:30 am (the "**February 2 Hearing**"). In addition to extending the Stay of Proceedings, FIGR Norfolk now intends to use the February 2 Hearing to seek approval to pursue an alternative transaction in respect of its business and assets.

Nothing in this letter shall constitute or be deemed to be a waiver by FIGR Norfolk of any additional rights it may have in respect of the APA or otherwise, including the right to pursue any and all claims against the Purchaser in connection with any and all defaults under the APA, the Purchaser's inability to close the Transaction and any damages suffered by FIGR Norfolk in connection therewith. FIGR Norfolk specifically reserves all of its rights and remedies at law, under this letter, the APA and the APA Amendments in connection with the forgoing.

Yours truly,

BENNETT JONES LLP



Mike Shakra

cc: Volodymyr Burko – Purchaser
Sean Zweig & Aiden Nelms - Bennett Jones LLP
Jeffrey Rosenberg & Jamie Belcher - FTI Consulting Canada Inc.
Jane Dietrich & Jeremy Bornstein - Cassels Brock & Blackwell LLP
Partheepan Balasubramaniam - Cohn Labs
Avi Freedland – Atkinson Law Professional Corporation



Bennett Jones

APPENDIX “D”

[ATTACHED]



Atkinson Law Professional Corporation

Ryan J. Atkinson, B.Sc. (Hons), J.D., LL.B.
Jessica L. Davidson, B.A. (Hons.), LL.B.
Avi J. Freedland B.Sc. (Hons), J.D.
Yasaman Anvari J.D., LL.M.
Saurabh Singhal, B.A. (Hons), LL.B.
Law Clerks: Jennifer Lalonde
Kate Stavropoltseva

January 11, 2022

Mike Shakra
Bennett Jones LLP
3400 One First Canadian Place
PO Box 130
Toronto, Ontario
M5X 1A4

VIA EMAIL to shakram@bennettjones.com

Dear Mr. Shakra,

Re: Purchase Agreement (the "APA") between FIGR Norfolk Inc. ("FIGR Norfolk") and 11897985 Canada Inc. (dba) BEROXFOOD North America (the "Purchaser") dated May 10, 2021, as amended

We are in receipt of your Letter re Notice of Default and Immediate Termination of the APA dated January 10, 2022 (the "Termination Letter"). Please be advised that our client insists that the Vendor complies with its obligation to close the transaction (the "Transaction") pursuant to the APA. Plainly, the Purchaser did not breach the APA nor the Fourth Amendment to the APA (the "Fourth Amendment").

The Purchaser had no obligation to complete the work prior to closing at the FIGR Norfolk Facility

The Purchaser is **entitled to**, but is under no obligation to, complete the Purchaser Work at the FIGR Norfolk Facility and accordingly to pay the Damage Deposit (unless of course it elected to conduct the Purchaser Work). As you have pointed out, section 3 of the Fourth Amendment states:

The Purchaser and the Vendor agree that the Purchaser, subject to the prior written consent of the Vendor and the Monitor, and under the supervision of the Vendor and the Monitor, shall, at its sole cost, **be entitled to** complete certain work...at the FIGR Norfolk Facility prior to the Closing Date in order to ensure that the FIGR Norfolk Facility meets certain operational standards (the "**Purchaser Work**") following the Closing Date. Prior to commencing any of the Purchaser Work, the Purchaser shall pay a deposit of \$15,000 to the Monitor (the "**Damage Deposit**"). (emphasis added)

In fact, any *obligation* to make reasonable efforts to furnish or make available access to information

concerning the Purchased Assets is an obligation of the Vendor to the Purchaser under section 3.1 of the APA. Again, there is NO obligation for the Purchaser to conduct the Purchaser Work and accordingly there is no obligation on the Purchaser to pay the Damage Deposit. The Vendor's insistence that this work be completed before closing and its "significant concerns regarding the Purchaser's ability to close the Transaction on January 14th unless the Damage Deposit is paid and the Purchaser Work is commenced in the next 24 hours" (as stated in the Vendor's January 5, 2022 email) are completely unnecessary. The Vendor's "significant concerns" are not only unfounded, but are neither specified nor clearly articulated.

The Vendor has a continuing obligation to assist with the orderly transition of the Cannabis Licence

We need not remind the Vendor of its continuing obligations under the APA to assist with the orderly transition of the Cannabis Licences. Specifically, under section 3.4 of the APA, titled Regulatory Approval and Consents, the Vendor is obligated to,

1. "...use its commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any law or otherwise to consummate and make effective the transactions contemplated by this Agreement, (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the transactions contemplated hereby required under any Applicable Law." (APA at s 3.4(1));
2. "...work closely and cooperatively and consult with each other in connection with the making of all such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice." (APA at s 3.4(2)); and
3. maintain Cannabis Licences during and at the time of Closing (APA at s 3.4(3)).

As well, under section 6.1(a)&(b) of the APA, the Vendor has an obligation to,

- a) "...remain in possession of the Purchased Assets until Closing, use the Purchased Assets only in the ordinary course of business and maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business"; and
- b) "maintain the Cannabis Licences in good standing with Health Canada and/or any other relevant government authority or work with Health Canada to replace the Health Canada Licences immediately post-closing."

Lastly, section 7.1 (b) provides that the obligation of the Purchaser to complete the Transaction is subject to the obligation of the Vendor to,

maintain the Cannabis Licences up to the date of Closing and shall use commercially reasonable efforts to cooperate with the Purchaser or the Purchaser Cannabis Licensees in the process of obtaining the Purchaser Cannabis Licences from Health Canada;

The Vendor's obligations to assist with the orderly transition of the Cannabis Licences are clear. The parties jointly retained Hyde Advisory who informed them on Sunday, January 9th, that Hyde Advisory is prepared to advise Health Canada that the parties are targeting a closing date of January 21st. As such, **any failure of the Vendor to cooperate with the transition of the Cannabis Licences is in direct contravention of the APA.**

It is the Responsibility of the Vendor to deliver the executed assignment and assumption agreements in a form that is acceptable to the Purchaser

The Purchaser has adhered to all of its obligations per the APA and the Fourth Amendment. Your letter explains that the Vendor has "made countless efforts...to assist the Purchaser in discharging its obligations under the APA" and that certain Purchaser Obligations (defined in the Termination Letter) remain outstanding. Please specifically address the obligations the purchaser has defaulted on under either the Fourth Amendment or the APA. We assure you, there are none.

Under section 6.3 of the APA the purchaser is to make a written offer of employment, conditional upon closing, to the employees in Schedule F. The Purchaser has done so.

The Purchaser and the Vendor have equal obligations to execute and deliver the executed assignment and assumption agreements, in a form satisfactory to each the Purchaser and the Vendor. In other words, there is an obligation expressly carried by the Vendor pursuant to section 8.3 of the APA to provide the assignment and assumption agreements in a form satisfactory to the Purchaser. For ease of reference, section 8.3 of the APA reads,

At or before the Closing Time, the Vendor shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which **shall be in form** and substance satisfactory to the Purchaser, acting reasonably:

...

(c) an executed assignment and assumption agreement evidencing the assignment by the Vendor of the Assumed Obligations to the Purchaser;

...

(j) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.(emphasis added)

The Vendor's breach of the APA

While the obligation to deliver the assignment of the employment agreements lay with the Vendor, the Purchaser cooperated with the Vendor at all times. In fact, on September 10, 2021, the Purchaser informed the Vendor that it wished to take assignments of the employee agreements and provided a form of assignment. Amendment requests were made on by the Vendor, which were refused by the Purchaser. On January 5, 2022, the Vendor provided the Purchaser with their own form of assignment, ignoring the form provided by the Purchaser. The Vendor was required to provide the assignment and assumption agreements in a form satisfactory to the Purchaser. The Purchaser insists that the executed employment assignment agreements be

delivered by the Vendor forthwith.

The Purchaser approved the closing documents on two different occasions. The closing documents are standard for a transaction of this nature and the Purchaser has confirmed with the Vendor on two (2) separate occasions that the closing documents are acceptable. The last such confirmation was on October 12, 2021.

Although the Vendor has stated in the Termination Letter that they have copied our associate, Avi Freedland, “on all communication”, the Vendor failed to copy Avi Freedland on integral correspondence with Hyde Advisory on January 5, 2022. The Vendor knew that I was away on vacation, out of the country, at this time.

The Vendor failed to provide, and still has not provided, its registration number for the purposes of HST as set out in the APA section 5.2 titled Vendor’s Representations.

Conclusion

The Purchaser remains ready, willing, and able to close the Transaction and the APA. We are insisting that the Transaction be closed and are prepared to seek instructions to schedule a 9:30am hearing at the Commercial List forthwith to close the Transaction, if necessary. Nonetheless, it is our intention that the parties cooperate to close on January 14, 2022, or January 21, 2022 (as suggested by the Purchaser’s Lender and agreed to by Hyde Advisory), or any such date as agreed by the parties. To be clear, our client is in a position to close the Transaction with the Lender, OR for payment in full with his own clear funds. In other words, the closing funds are ready to advance on a closing date that is just and convenient for the Vendor, the Purchaser, Hyde Advisory and Health Canada.

As set out in Hyde Advisory’s email dated January 1, 2022, Hyde Advisory has committed to Health Canada that they will confirm closing and coordinate licensing steps with an expected closing date “in or around the middle of January” and later confirmed on January 9, 2022, that they would be communicating a January 21, 2022, closing date to Health Canada once confirmed by the parties. We trust that the Vendor is committed to its continuing obligations to (i) close the transaction, (ii) deliver the executed employment assignment agreements, (iii) cooperate with the transition of the Cannabis Licences, and fulfill its other obligations as set out in the APA and amendments thereto.

Sincerely,



Ryan Atkinson
RA/af

APPENDIX “E”

[ATTACHED]



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

Mike Shakra

Direct Line: 416.777.6236

e-mail: shakram@bennettjones.com

January 12, 2022

VIA EMAIL – WITH PREJUDICE

Mr. Ryan Atkinson
Atkinson Law Professional Corporation
100 King Street West, Suite 5700
Toronto, ON M5X 1C9
ryan@atkinsonlaw.ca

Dear Sir:

Re: Reinstatement of the Asset Purchase Agreement (the "APA") between FIGR Norfolk Inc. ("FIGR Norfolk") and 11897985 Canada Inc. (dba) BEROXFOOD North America (the "Purchaser") dated May 10, 2021, as amended pursuant to: (i) the First Amendment to the Asset Purchase Agreement dated June 28, 2021 (the "First Amendment"); (ii) the Second Amendment to the Asset Purchase Agreement dated August 9, 2021 (the "Second Amendment"); (iii) the Third Amendment to the Asset Purchase Agreement dated October 13, 2021 (the "Third Amendment"); and the Fourth Amendment to the Asset Purchase Agreement dated January 1, 2022 (the "Fourth Amendment" and together with the First Amendment, the Second Amendment and the Third Amendment, the "APA Amendments").

We write to you further to our correspondence dated January 10, 2022 (the "**APA Termination Letter**"). We are in receipt of: (i) your response letter dated January 11, 2022; and (ii) your letter of requisitions dated January 11, 2022, and will reply under separate cover to each of those letters. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the APA, the APA Amendments or the APA Termination Letter, as applicable.

Following issuance of the APA Termination Letter, we understand that counsel for the Purchaser contacted the Monitor to advise that, notwithstanding FIGR Norfolk's termination of the APA, the Purchaser still wished to close the Transaction. In light of the foregoing, FIGR Norfolk, in an effort to mitigate its damages caused by the need to terminate the APA following the Purchaser's breaches of the APA, is prepared to reinstate the APA on the condition that the Purchaser meets the following (the "**Reinstatement Conditions**") on or before January 14, 2022 at 6:00 PM (Toronto Time) (the "**Reinstatement Deadline**"):

1. The Purchaser shall execute and deliver to the Monitor in escrow, signature pages for the Closing Documents to be provided to the Purchaser by FIGR Norfolk on January 12, 2022 (the "**Revised Closing Documents**"). For greater certainty, the Revised Closing Documents are substantially similar in form and substance to the set provided to the Purchaser by FIGR Norfolk on September 15, 2021. Given certain transactional developments and changes in process since that date, it was necessary to make minor revisions to the Closing Documents.
2. The Purchaser shall deliver to the Monitor in escrow completed and executed employment agreement assignments for all Transferred Employees in the form provided to the Purchaser by FIGR Norfolk on January 5, 2022 (the "**January 5 Assignment Agreements**"). While we acknowledge receipt of the form of assignment agreement provided by the Purchaser on September 10, 2021, such form of assignment was deficient.¹
3. The Purchaser shall acknowledge that the Purchaser Work, as detailed in the Fourth Amendment, is not required to be completed prior to Closing and that the completion of the Purchaser Work is not a condition to Closing.
4. The Purchaser shall deliver to the Monitor in escrow funds in an amount necessary to satisfy the full Cash Balance of the Purchase Price.

The Monitor will hold all of the deliverables listed above in escrow to be delivered to FIGR Norfolk should the Transaction close by the end of day on January 21, 2022, or such later date as Health Canada may advise in response to the Hyde Communication (as defined below) (the "**Anticipated Closing Date**"), or returned promptly to the Purchaser should the Transaction not close by the Anticipated Closing Date.

Upon written confirmation from the Purchaser that the Reinstatement Conditions are acceptable to the Purchaser and shall be met by the Reinstatement Deadline, FIGR Norfolk will prepare a Reinstatement Agreement and Fifth Amendment to the APA (the "**Reinstatement and Fifth Amendment**") memorializing the Reinstatement Conditions. For greater certainty, the Reinstatement and Fifth Amendment must be executed by the Purchaser on or before the Reinstatement Deadline. Following execution of the Reinstatement and Fifth Amendment and satisfaction of the Reinstatement Conditions by the Purchaser, FIGR Norfolk will instruct Hyde Advisory & Investments to advise Health Canada that the Parties are ready and prepared to close the Transaction on January 21, 2022, or such later date as Health Canada may advise (the "**Hyde Communication**"). Given the time needed by Health Canada to respond to requests regarding the Cannabis Licenses, in order to have a chance at closing the Transaction by January 21, 2022, we understand the Hyde Communication must be made no later than end of day on January 14, 2022.

In the event that the Purchaser is not prepared to agree to the Reinstatement Conditions on or prior to the Reinstatement Deadline, fails to satisfy the Reinstatement Conditions by the Reinstatement Deadline or fails to execute the Reinstatement and Fifth Amendment, this proposal and the Reinstatement and Fifth Amendment (if executed) shall be null and void. For greater certainty, in such

¹ For example, the effectiveness of the form of assignment agreement provided by the Purchaser was not conditional on closing of the Transaction.

January 12, 2022

Page 3

a scenario, FIGR Norfolk will continue to rely on the APA Termination Letter, the defaults detailed therein and any other defaults that may have arisen.

Please advise by no later than 6:00 PM today whether the Reinstatement Conditions are acceptable to and can be fulfilled by the Purchaser by the Reinstatement Deadline.

Nothing in this letter shall constitute or be deemed to be a waiver by FIGR Norfolk of any existing or future rights it may have in respect of the APA or otherwise, including the right to pursue any and all claims against the Purchaser in connection with any and all defaults under the APA, the Purchaser's failure to close the Transaction and any damages suffered by FIGR Norfolk in connection therewith. FIGR Norfolk specifically reserves all of its rights and remedies at law, under this letter, the APA Termination Letter, the APA and the APA Amendments in connection with the forgoing.

Yours truly,

BENNETT JONES LLP



Mike Shakra

cc: Volodymyr Burko – Purchaser
Sean Zweig & Aiden Nelms - Bennett Jones LLP
Jeffrey Rosenberg & Jamie Belcher - FTI Consulting Canada Inc.
Jane Dietrich & Jeremy Bornstein - Cassels Brock & Blackwell LLP
Partheepan Balasubramaniam - Cohn Labs
Avi Freedland – Atkinson Law Professional Corporation



APPENDIX “F”

[ATTACHED]

Reinstatement Agreement and Fifth Amendment to the Asset Purchase Agreement

This Reinstatement Agreement and Fifth Amendment to the Asset Purchase Agreement dated as of January 19, 2022 (the "**Reinstatement Agreement and Fifth Amendment**"), is by and between FIGR Norfolk Inc., an Ontario corporation (the "**Vendor**"), and 11897985 Canada Inc. (dba) BEROXFOOD North America, an Ontario corporation (the "**Purchaser**" and together with the Vendor, the "**Parties**" and each a "**Party**") and consented to by FTI Consulting Canada Inc. in its capacity as the Monitor of the CCAA Applicants (the "**Monitor**") and Alliance One Tobacco Canada Inc. (the "**Former DIP Lender**").

WHEREAS, the Vendor and the Purchaser entered into a certain Asset Purchase Agreement, dated May 10, 2021 (the "**Asset Purchase Agreement**"), under which, among other things, the Vendor agreed to sell, assign and transfer to the Purchaser, and the Purchaser agreed to purchase from the Vendor, all of the Vendor's right, title and interest in, to and under the Purchased Assets, excluding any Non-Assignable Interests, free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order (as defined below) (the "**Transaction**").

AND WHEREAS, the Asset Purchase Agreement, with such minor amendments as the Vendor and the Purchaser may deem necessary (with approval of the Monitor and Former DIP Lender), and the Transaction were approved by the Court pursuant to the Approval and Vesting Order granted on June 10, 2021 (the "**Approval and Vesting Order**").

AND WHEREAS, the Vendor and the Purchaser entered into a First Amendment to the Asset Purchase Agreement dated June 28, 2021 (the "**First Amendment**"), under which, among other things, the Parties mutually agreed that: (i) the Outside Date be extended to July 30, 2021; and (ii) the time for the Purchaser to satisfy the Financing Covenant be extended to July 16, 2021.

AND WHEREAS, the Purchaser provided the Monitor with certain financing documents in connection with the Financing Covenant via email on July 16, 2021 (the "**Purchaser Financing Documents**").

AND WHEREAS, on July 20, 2021, the Vendor issued a letter to the Purchaser in respect of the Purchaser Financing Documents and reserved all of its rights in connection with the Financing Covenant.

AND WHEREAS, the Vendor and the Purchaser entered into a Second Amendment to the Asset Purchase Agreement dated August 9, 2021 (the "**Second Amendment**"), under which, among other things, the Parties mutually agreed that the Outside Date be extended to August 31, 2021.

AND WHEREAS, the Vendor and the Purchaser entered into a Third Amendment to the Asset Purchase Agreement dated October 13, 2021 (the "**Third Amendment**"), under which, among other things: (i) the Parties mutually agreed that the Outside Date be extended to October 29, 2021; and (ii) section 9.6 of the Asset Purchase Agreement was modified to reflect the terms of the Approval and Vesting Order.

AND WHEREAS, the Vendor and the Purchaser entered into a Fourth Amendment to the Asset Purchase Agreement dated January 1, 2022 (the "**Fourth Amendment**"), under which, among other things, the Parties mutually agreed that: (i) the Purchaser would provide the Acknowledgments and HST Confirmation (each as defined in the Fourth Amendment); (ii) the

Purchaser Work (as defined in the Fourth Amendment) may be performed at the FIGR Norfolk Facility prior to Closing subject to the conditions set out in the Fourth Amendment; (iii) the Outside Date be extended to January 14, 2022; and (iv) Schedule "F" of the Asset Purchase Agreement was modified as set out in Schedule "B" to the Fourth Amendment.

AND WHEREAS, the Vendor issued a letter to the Purchaser on January 10, 2022 (the "**APA Termination Letter**") which, among other things: (i) detailed certain defaults committed by the Purchaser under the APA; (ii) purported to terminate the APA with immediate effect pursuant to Section 4.3 thereof; and (iii) advised the Purchaser that the Vendor would be retaining the full amount of the Deposit, together with all interest accrued thereon, if any, pursuant to Section 4.2(d) of the APA.

AND WHEREAS, in response to the APA Termination Letter, the Purchaser advised FIGR Norfolk that it disagreed with certain statements set forth in the APA Termination Letter and advised the Monitor that, notwithstanding the APA Termination Letter, the Purchaser still wished to close the Transaction, that the Purchaser was ready, willing, and able to close the Transaction, and that the Vendor was obligated to close the Transaction pursuant to the terms of the APA..

AND WHEREAS, the Vendor, in an effort to mitigate its damages caused by the need to terminate the APA for the reasons set out in the APA Termination Letter, issued a letter to the Purchaser on January 12, 2022 (the "**Reinstatement Letter**") which provided that FIGR Norfolk was prepared to reinstate and amend the APA should the Purchaser agree to and comply with the Purchaser Reinstatement Obligations (as defined below).

AND WHEREAS, the Parties have agreed that the Purchaser Reinstatement Obligations must be met on or before January 19, 2022 at 6:00 PM (Toronto Time) (the "**Reinstatement Deadline**").

AND WHEREAS, the Purchaser has advised FIGR Norfolk that, although reinstatement of the APA is not necessary as it is the Purchaser's position that the APA remains a valid and subsisting contract and the Vendor remains obligated to close the Transaction pursuant to the terms of the APA, the Reinstatement Conditions are nevertheless acceptable and that they will be met by the Reinstatement Deadline.

AND WHEREAS, the Purchaser has agreed that it shall execute this Reinstatement Agreement and Fifth Amendment prior to the Reinstatement Deadline and the Vendor has agreed that upon such execution and the satisfaction of the Reinstatement Conditions, that the Vendor would instruct Hyde Advisory & Investments ("**Hyde**") to advise Health Canada that the Parties are ready and prepared to close the Transaction on January 28, 2022 (the "**Hyde Communication**").

AND WHEREAS, the Parties have agreed that the Purchaser will deliver to the Monitor and the Monitor will hold all of the deliverables contemplated by the Reinstatement Conditions, in escrow to be delivered to FIGR Norfolk should the Transaction close by the end of day on January 28, 2022, or be returned promptly to the Purchaser should the Transaction not close by January 28, 2022.

AND WHEREAS, the Parties have agreed that in the event that the Purchaser is not prepared to agree to the Reinstatement Conditions on or prior to the Reinstatement Deadline, fails to satisfy the Reinstatement Conditions by the Reinstatement Deadline, or fails to execute and

deliver the Reinstatement Agreement and Fifth Amendment by the Reinstatement Deadline (the "**Purchaser Reinstatement Obligations**"), then the proposal as outlined in the Reinstatement Letter and this Reinstatement Agreement and Fifth Amendment shall be null and void and of no force and effect and that the terms of the APA (if applicable) the APA Termination Letter shall continue to be of full force and effect.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. All capitalized terms used in this Reinstatement Agreement and Fifth Amendment but not otherwise defined herein are given the meanings set forth in the Asset Purchase Agreement.
2. Amendment.
 - (a) The reference in the definition of "Outside Date" to "January 14, 2021" is hereby amended to "January 28, 2022".
3. Reinstatement Conditions. The Purchaser and Vendor acknowledge and agree that the Vendor shall instruct Hyde to issue the Hyde Communication in the event the Purchaser satisfies the following (collectively, the "**Reinstatement Conditions**"):
 - (a) the Purchaser delivers an executed copy of this Reinstatement Agreement and Fifth Amendment to FIGR Norfolk and the Monitor on or prior to the Reinstatement Deadline; and
 - (b) the Purchaser delivers to the Monitor in escrow the following (collectively, the "**Escrow Deliverables**"):
 - (i) executed copies of the Closing Documents provided to the Purchaser by FIGR Norfolk on January 14, 2022;
 - (ii) completed and executed employment agreement assignments for all Transferred Employees in the form provided to the Purchaser by FIGR Norfolk on January 5, 2022; and
 - (iii) \$4,470,000 (which amount shall be subject to adjustments on Closing) (the "**Closing Funds**"), with such amount being wired to the details provided on Schedule "B" hereto.
4. Acknowledgement re Purchaser Work. The Purchaser hereby acknowledges that the Purchaser Work, as detailed in the Fourth Amendment, is not required to be completed prior to Closing and that the completion of the Purchaser Work is not a condition to Closing.
5. Purchaser Financing. The Vendor acknowledges and agrees that, in light of the Purchaser's need to borrow funds (the "**Purchase Price Financing** ") to satisfy the Closing Funds, it shall provide the Purchaser with a Purchase Price reduction of up to \$20,000 (the "**Reduction Cap**") to be applied on Closing (the "**Vendor Interest Contribution**"). The Vendor Interest Contribution shall be calculated as 50% of the Purchaser's interest cost incurred in connection with the Purchase Price Financing for the period between January 19, 2022 and

January 28, 2022, up to the Reduction Cap. Application of the Vendor Interest Contribution is contingent upon the Purchaser providing the Vendor with written documentation evidencing the cost of any interest incurred in connection with the Purchase Price Financing.

6. Acknowledgements. The Parties acknowledge that:

(a) that the Escrow Deliverables will be released to the Vendor or returned to the Purchaser by the Monitor in accordance with the escrow terms contained Schedule "A" hereto (the "**Escrow Terms**"); and

(b) in the event that the Purchaser fails to satisfy any or all of the Purchaser Reinstatement Obligations, the proposal as outlined in the Reinstatement Letter and this Reinstatement Agreement and Fifth Amendment shall be null and void and of no force and effect, provided however that the Escrow Terms shall survive and that the terms of the APA (if applicable) and the APA Termination Letter shall continue to be of full force and effect.

7. Terms of the Asset Purchase Agreement. Except as expressly stated in this Reinstatement Agreement and Fifth Amendment, the terms of the Asset Purchase Agreement, as amended by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment, remain unamended and in full force and effect. Nothing in this Reinstatement Agreement and Fifth Amendment shall constitute a waiver of any provision of the Asset Purchase Agreement, as amended by the First Amendment, Second Amendment, Third Amendment or Fourth Amendment.

8. Governing Law and Jurisdiction. This Reinstatement Agreement and Fifth Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court.

9. Counterparts. This Reinstatement Agreement and Fifth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Reinstatement Agreement and Fifth Amendment shall be deemed to constitute due and sufficient delivery of such counterpart.

10. No Waiver / Reservation of Rights in respect of Financing Covenant. Nothing in this Reinstatement Agreement and Fifth Amendment shall constitute or be deemed to be a waiver by the Vendor or the Purchaser of any breach or default of the Asset Purchase Agreement that has occurred as of the date of this Reinstatement Agreement and Fifth Amendment, and the Vendor and Purchaser continue to reserve all of their rights and remedies at law and under the Asset Purchase Agreement, the First Amendment, Second Amendment, Third Amendment and the Fourth Amendment. No failure on the part of the Vendor or Purchaser to exercise, and no delay in exercising, any right or remedy at law, under the Asset Purchase Agreement, the First Amendment, Second Amendment, Third Amendment or the Fourth Amendment, or in respect of the Financing Covenant shall operate as a waiver thereof.

11. Further Assurances. Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further

Execution Version

assurances as may be reasonably necessary or desirable to give effect to this Reinstatement Agreement and Fifth Amendment.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Reinstatement Agreement and Fifth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

DocuSigned by:
By Volodymyr Burko
F86E224237BE40E...

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Reinstatement Agreement and Fifth Amendment as of the date first written above:

**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By _____

Name: Rick DeCoutere

Title: Director

IN WITNESS WHEREOF, the Parties have executed this Reinstatement Agreement and Fifth Amendment to be effective as of the date first written above.

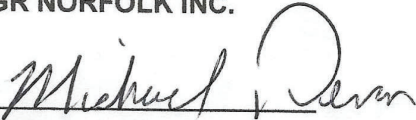
BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By  _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

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in its capacity as Monitor
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ALLIANCE ONE TOBACCO CANADA, INC.

By _____

Name: Rick DeCoutere

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BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

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in its capacity as Monitor
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ALLIANCE ONE TOBACCO CANADA, INC.

By _____

Name: Rick DeCoutere

Title: Director

IN WITNESS WHEREOF, the Parties have executed this Reinstatement Agreement and Fifth Amendment to be effective as of the date first written above.

BEROXFOOD NORTH AMERICA

By _____

Name: Volodymyr Burko

Title: President

FIGR NORFOLK INC.

By _____

Name: Michael Devon

Title: SVP & Chief Financial Officer

The undersigned hereby agree and consent to the provisions of this Reinstatement Agreement and Fifth Amendment as of the date first written above:


**FTI CONSULTING
CANADA INC.,
in its capacity as Monitor
of the CCAA Applicants**

By _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

ALLIANCE ONE TOBACCO CANADA, INC.

By  _____

Name: Rick DeCoutere

Title: Director

SCHEDULE "A"

ESCROW TERMS

Reference is made to the Reinstatement Agreement and Fifth Amendment to the Asset Purchase Agreement dated as of January 19, 2022 (the "**Reinstatement Agreement and Fifth Amendment**"), by and between FIGR Norfolk Inc., an Ontario corporation (the "**Vendor**"), and 11897985 Canada Inc. (dba) BEROXFOOD North America, an Ontario corporation (the "**Purchaser**") and together with the Vendor, the "**Parties**" and each a "**Party**") and consented to by FTI Consulting Canada Inc. in its capacity as the Monitor of the CCAA Applicants (the "**Monitor**") and Alliance One Tobacco Canada Inc.. All capitalized terms used but not defined in this Schedule "A" (Escrow Terms) have the meanings set out in the Reinstatement Agreement and Fifth Amendment.

The Parties hereby agree as follows:

1. Escrow. The Monitor (in such capacity, the "**Escrow Agent**") will accept the Escrow Deliverables, including for greater certainty the Closing Funds, from the Purchaser. More specifically, in addition to accepting the remainder of the Escrow Deliverables, the Monitor will accept and deposit the Closing Funds into an interest bearing trust account (the "**Account**"), the wire details of which can be found at Schedule "B" (Monitor's Wire Details) to the Reinstatement Agreement and Fifth Amendment.
2. Bank Fees. The Escrow Agent will be entitled to pay and have deducted from the Closing Funds all account fees payable in connection with the holding and paying-out of the Closing Funds (including those charged in connection with making wire transfers for the pay-out of any funds) (the "**Account Fees**"). For greater certainty, should the Transaction close by the Outside Date, any Account Fees incurred will result in an adjustment to the Purchase Price on Closing.
3. Release on Closing. Should the Transaction close on or before the Outside Date, then the Escrow Agent shall release the Escrow Deliverables, including the Closing Funds, to the Vendor upon Closing.
4. Purchaser's Failure. Should the Transaction fail to close by the Outside Date because of the Purchaser's failure to, among other things, satisfy the Purchaser Reinstatement Obligations by the Reinstatement Deadline, the Escrow Deliverables, including the Closing Funds, shall be returned to the Purchaser forthwith and the proposal as outlined in the Reinstatement Letter and the Reinstatement Agreement and Fifth Amendment shall be null and void and of no force and effect and that the terms of the APA (if applicable) and the APA Termination Letter shall continue to be of full force and effect.
5. No Agency. The Escrow Agent is acting solely in such capacity at the Parties' request and for their convenience and the Escrow Agent will not be deemed to be the agent of any Party in respect of the Escrow Deliverables or the escrow referred to in this Schedule "A" (Escrow Terms). The Escrow Agent will not be liable to any Party for any error in judgment or for any act or omission on its part in respect of the escrow referred to in this Schedule "A" (Escrow Terms) unless such error in judgment, act or omission is made, taken or suffered in bad faith or involves gross negligence.

6. Waiver. The Parties agree that the Escrow Agent will have no responsibility for any costs, claims (including those from third parties) and expenses, including solicitor's fees and disbursements incurred in connection with or arising from the performance of the Escrow Agent's duties or rights under this Schedule "A" (Escrow Terms), and the Parties waive all claims against the Escrow Agent in respect thereof; provided that this waiver will not extend to actions or omissions taken or suffered by the Escrow Agent in bad faith or involving gross negligence on the part of the Escrow Agent.

7. Limitation on Duties. It is understood and agreed that the Escrow Agent's only duties and obligations in respect of the Escrow Deliverables are expressly set out in this Schedule "A" (Escrow Terms). The Escrow Agent will have the right to consult with counsel and will not be liable for any action taken, suffered or omitted to be taken by it if the Escrow Agent's acts in accordance with the advice of such counsel. The Escrow Agent will be protected if it acts upon any written or oral communication, notice, certificate or other instrument or document believed by the Escrow Agent to be genuine and to be properly given or executed without the necessity of verifying the truth or accuracy of the same or the authority of the person giving or executing the same. The Escrow Agent, notwithstanding any provision of this Schedule "A" (Escrow Terms), shall have any and all protections in favor of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of the Court in the CCAA Proceedings.

8. Resignation. The Escrow Agent may, at any time, resign its obligations under this Schedule "A" (Escrow Terms) and be discharged from all further duties and liabilities by giving the Parties at least two (2) Business Days' notice in writing of its intention to resign. Upon receipt of such notice the Parties may jointly appoint a new escrow agent to act in the place and stead of the Escrow Agent, and if they fail to do so, then any Party may apply to a Judge of the Ontario Superior Court of Justice (Commercial List) on such notice as such Judge may direct for the appointment of a new escrow agent. Upon any new appointment, the new escrow agent will be vested with the same powers, rights, duties and obligations as if it had been originally named in this Schedule "A" (Escrow Terms) as escrow agent, and the new escrow agent will enter into an agreement with the Parties agreeing to be bound by all of the provisions of this Schedule "A" (Escrow Terms).

9. Discharge from Duties. Upon disposing of the Escrow Deliverables in accordance with the provisions of this Schedule "A" (Escrow Terms), the Escrow Agent will be relieved and discharged from all claims and liabilities relating to the Escrow Deliverables, and the Escrow Agent will not be subject to any claims made by or on behalf of any Party to the Reinstatement Agreement and Fifth Amendment. This Schedule "A" (Escrow Terms) will automatically terminate without any further action on the part of the Escrow Agent upon the delivery of the Escrow Deliverables by the Escrow Agent in accordance with the provisions of this Schedule "A" (Escrow Terms).

SCHEDULE "B"
MONITOR'S WIRE DETAILS

[attached]

Incoming Wire Instructions: To Canada in currencies other than USD

Beneficiary Information <small>(MT103 SWIFT Tag 59a)</small>	
Beneficiary Name:	FTI CONSULTING CANADA INC. ITF (M) - FIGR BRANDS, INC.
Beneficiary Address: P.O. Box not accepted	79 WELLINGTON ST W SUITE 2010 TORONTO ONTARIO M5K 1G8
Beneficiary Account Number (12 digits):	47696 23486 16
Beneficiary Bank Information <small>(MT103 SWIFT Tag 57a)</small>	
Bank Name:	Bank of Nova Scotia
Bank Identifier <small>(SWIFT Code <u>or</u> Canadian Clearing Code)</small>	SWIFT Code/BIC: NOSCCATT Canadian Clearing Code: //CC000247696
Bank Address: <small>(Input based on use of either the SWIFT Code <u>or</u> the Canadian Clearing Code)</small>	<u>SWIFT Code Address:</u> 44 King Street West Toronto, ON, M5H 1H1 OR <u>Clearing Code</u> P.O. BOX 4234 STN A Toronto, ON, M5W 5P6

APPENDIX “G”

[ATTACHED]

FIGR Brands, Inc. & FIGR Norfolk Inc.

Consolidated Cash Flow Projections

(SCAD in thousands)

Forecast Week Ending	28-Jan-22	04-Feb-22	11-Feb-22	18-Feb-22	25-Feb-22	04-Mar-22	11-Mar-22	18-Mar-22	25-Mar-22	01-Apr-22	08-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	Total	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Receipts																
Receipts from Operation	[2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	[3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements																
Payroll and Employee Related Costs	[4]	(53)	(25)	(78)	-	(38)	(6)	(38)	-	-	(44)	-	(38)	-	(44)	(364)
Rent and Property Taxes	[5]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and Levies	[6]	-	(15)	-	-	-	(89)	-	-	(71)	-	-	-	-	-	(175)
Other Operating Expenses	[7]	(30)	(30)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(300)
Capital Expenditures	[8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Disbursements		(83)	(70)	(98)	(20)	(58)	(115)	(58)	(20)	(20)	(135)	(20)	(58)	(20)	(64)	(839)
Net Cash from Operations		(83)	(70)	(98)	(20)	(58)	(115)	(58)	(20)	(20)	(135)	(20)	(58)	(20)	(64)	(839)
Restructuring Disbursements	[9]	(44)	(73)	(154)	(184)	(184)	(169)	(289)	(89)	(89)	(89)	(51)	(43)	(37)	(37)	(1,532)
KERP		-	(110)	-	-	-	-	-	-	-	-	-	-	-	-	(110)
Total Restructuring Disbursements		(44)	(183)	(154)	(184)	(184)	(169)	(289)	(89)	(89)	(89)	(51)	(43)	(37)	(37)	(1,642)
NET CASH FLOWS		(127)	(253)	(252)	(204)	(242)	(284)	(347)	(109)	(109)	(224)	(71)	(101)	(57)	(101)	(2,481)
Cash																
Beginning Balance		714	587	334	200	200	200	200	200	200	200	200	200	200	200	714
Net Receipts/ (Disbursements)		(127)	(253)	(252)	(204)	(242)	(284)	(347)	(109)	(109)	(224)	(71)	(101)	(57)	(101)	(2,481)
Advances from Net Proceeds of Sale		-	-	118	204	242	284	347	109	109	224	71	101	57	101	1,967
Ending Balance		587	334	200	200	200	200	200	200	200	200	200	200	200	200	200

Advances from Net Proceeds of Sale																
Opening Balance		2,856	2,856	2,856	2,974	3,178	3,420	3,704	4,050	4,159	4,267	4,492	4,563	4,664	4,720	2,856
Advances	[10]	-	-	118	204	242	284	346	108	108	224	71	101	57	101	1,964
Ending Balance		2,856	2,856	2,974	3,178	3,420	3,704	4,050	4,158	4,267	4,491	4,563	4,664	4,721	4,821	4,820

Notes to the Consolidated Cash Flow Projections:

[1] The purpose of the Cashflow Projections is to estimate the liquidity requirements of FIGR Brands, Inc., and FIGR Norfolk Inc. ("FIGR" or the "Company") during the forecast period.

[2] Sale proceeds related to the sale of CIG and expected sale proceeds from the sale of Norfolk are not included as part forecast as part of this CCAA CFF.

[3] Forecast Other Receipts includes expected tax refunds.

[4] Forecast Payroll and Employee Related Costs are based on recent payroll amounts and future forecast amounts.

[5] Forecast Rent and Property Taxes include payments to landlord for Toronto head office space and property taxes on properties.

[6] Forecast Taxes and Levies include payments related to HST remittances.

[7] Forecast Other Operating Expenses include production, maintenance, utilities and other general and administrative costs.

[8] Forecast Capital Expenditures reflect estimated capital spending required to maintain normal course of business and comply with existing license requirements.

[9] Forecast Restructuring Disbursements include legal and financial advisor fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

[10] Total DIP and accrued interest were repaid on July 8. Post-repayment of DIP, operations are being funded directly from Net Proceeds of sale as agreed to by the DIP Lender, Alliance One Tobacco Canada, Inc. ("AOTC").

APPENDIX “H”

[ATTACHED]

APPENDIX “H”

[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.
(collectively, the "**Applicants**")

**AFFIDAVIT OF JEFFREY ROSENBERG
(sworn January 27, 2022)**

I, Jeffrey Rosenberg, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a Senior Managing Director of FTI Consulting Canada Inc. ("**FTI**"), which was appointed as monitor ("**Monitor**") in the CCAA proceedings of the Applicants by the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 21, 2021 as amended and restated from time to time. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. Pursuant to the Ancillary Order dated February 22, 2021, the Court approved the fees and disbursements, including Harmonized Sales Tax ("**HST**"), of FTI in the amount of \$499,753.78 incurred during the period from January 21, 2021 to February 7, 2021. Pursuant to the DIP Amendment and Fee Approval Order dated March 31, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$840,150.82 incurred during the period from February 7, 2021 to March 14, 2021. Pursuant to the Stay Extension and Fee Approval Order dated April 30, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$808,782.19 incurred during the period from March 15, 2021 to April 18, 2021. Pursuant to the Second Ancillary Order, dated June 10, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$803,696.34 incurred during the period from April 19, 2021 to May 31, 2021. Pursuant to the Stay Extension, Norfolk KERP, Sealing, & Monitor Fee Approval Order dated August 24, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$793,035.71 incurred during the period principally from June 1, 2021 to August

8, 2021. Pursuant to the Stay Extension and Monitor Fee Approval Order dated October 19, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$245,075.45 incurred during the period principally from August 9, 2021 to September 30, 2021.

3. During the period from October 1, 2021 to January 16, 2022, FTI incurred fees and disbursements, including HST, in the amount of \$500,342.57. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this my affidavit.

4. Attached as **Exhibit "B"** is a schedule summarizing each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by FTI is \$829.79.

5. Attached as **Exhibit "C"** is a schedule summarizing the billing rates of each individual at FTI, as the case may be.

6. To the best of my knowledge, the rates charged by FTI throughout the course of these proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar services, and the rates charged by FTI for services rendered in similar proceedings.

7. I have reviewed the affidavit of Ryan Jacobs of Cassels Brock & Blackwell LLP ("**Cassels**") sworn on January 27, 2022 and the accounts of Cassels attached thereto. Cassels is counsel to FTI as Monitor in the CCAA proceedings of the Applicants. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

8. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of FTI and Cassels, and for no other or improper purpose.

SWORN BEFORE ME over videoconference on this 27 day of January 2022. The affiant was located in the City of Toronto, in the Province of Ontario and the Commissioner was located in the City of Toronto, in the Province of Ontario. This affidavit was commissioned remotely as a result of COVID-19 and the declaration was administered in accordance with O. Reg 431/20.



Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E



JEFFREY ROSENBERG

This is Exhibit "A" referred to in the affidavit of Jeffrey Rosenberg, affirmed before me by videoconference on January 27, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "A"

**True Copies of the Invoices issued to the Applicants
for fees and disbursements incurred by
FTI Consulting Canada Inc.**



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

October 15, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005066

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through October 10, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 15, 2021
FTI Invoice No. 29005066
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 10, 2021

	CAD (\$)
Professional Services.....	\$25,184.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$25,184.50
HST Registration No. 835718024RT0001	\$3,273.99
Total Amount Due this Period.....	\$28,458.49
Total Amount Due.....	<u>\$28,458.49</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 15, 2021
FTI Invoice No. 29005066
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 10, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	8.50	\$8,415.00
Jodi Porepa	Managing Director	\$885.00	9.90	\$8,761.50
Hrvoje Muhek	Senior Director	\$770.00	1.30	\$1,001.00
Graham McIntyre	Senior Consultant	\$565.00	10.80	\$6,102.00
Total Hours and Fees			30.5	\$24,279.50

Sales Process

Name	Title	Rate	Hours	Total
Jamie Belcher	Senior Managing Director	\$905.00	1.00	\$905.00
Total Hours and Fees			1.0	\$905.00

HST Registration No. 835718024RT0001 **\$3,273.99**

Invoice Total for Current Period **\$28,458.49**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

10/01/21	Work on file finalizations matters; calls with management; calls with legal counsel.	2.00	
10/04/21	Review environmental report and attend update call; review of budget to actual perform and review key explanations.	2.00	
10/06/21	Review of budget to actual variances; review of cash flow projections; review of creditor correspondence; review of environmental matters.	2.50	
10/08/21	Calls with management; calls with Pyxus; calls with Bennett Jones; work on cash flow matters.	2.00	
	\$990.00 per hour x total hrs of	8.50	\$8,415.00

Jodi Porepa

10/01/21	Review updated distribution analysis and next steps; review updated cash flow forecast.	2.50	
10/04/21	Review variance analysis; review updated distribution analysis; follow up on outstanding questions.	1.50	
10/06/21	Variance analysis review; internal discussion regarding court report; review proposed disbursements.	2.30	
10/07/21	Review and finalize variance analysis; discuss court report and next steps.	1.10	
10/08/21	Review updated cash flow forecast; review Monitor's Report.	2.50	
	\$885.00 per hour x total hrs of	9.90	\$8,761.50

Hrvoje Muhek

10/01/21	FTI internal call regarding anticipated distributions to FIGR creditors.	1.30	
	\$770.00 per hour x total hrs of	1.30	\$1,001.00

Graham McIntyre

10/01/21	Internal discussions regarding distribution next steps; discussions and review of other outstanding matters; issuing Notice of Revision or Dispute to claimant.	2.50	
10/04/21	Prepare and review professional fee summary tables for fee application.	2.00	
10/05/21	Internal discussions regarding engagement matters.	1.00	
10/06/21	Updating professional fees summary; updating court report cash flow forecast; correspondence regarding prior week variance analysis.	2.50	
10/08/21	Internal discussions regarding cash flow forecast and court report.	0.80	
10/10/21	Updating court report sections and correspondence regarding the same.	2.00	
	\$565.00 per hour x total hrs of	10.80	\$6,102.00

Sales Process

James Belcher

10/06/21	Call regarding environmental issues.	0.50	
10/08/21	Call regarding environmental issues.	0.50	
	\$905.00 per hour x total hrs of	1.00	\$905.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

October 22, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005073

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through October 17, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 22, 2021
FTI Invoice No. 29005073
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 17, 2021

	CAD (\$)
Professional Services.....	\$26,471.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$26,471.50
HST Registration No. 835718024RT0001	\$3,441.30
Total Amount Due this Period.....	\$29,912.80
Total Amount Due.....	<u>\$29,912.80</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 22, 2021
FTI Invoice No. 29005073
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 17, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	10.50	\$10,395.00
Jodi Porepa	Managing Director	\$885.00	11.50	\$10,177.50
Graham McIntyre	Senior Consultant	\$565.00	7.60	\$4,294.00
Kathleen Foster	Executive Assistant I	\$145.00	0.30	\$43.50
Total Hours and Fees			29.9	\$24,910.00

Sales Process

Name	Title	Rate	Hours	Total
Jamie Belcher	Senior Managing Director	\$905.00	1.00	\$905.00
Patrick Kennedy	Senior Consultant	\$565.00	1.30	\$656.50
Total Hours and Fees			2.3	\$1,561.50

HST Registration No. 835718024RT0001 **\$3,441.30**

Invoice Total for Current Period **\$29,912.80**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

10/12/21	Review of cash flow; review of court documents; work on regulatory matters; review of motion record.	3.00	
10/13/21	Work on regulatory matters; review of final third amending agreement; review of court materials.	3.50	
10/14/21	Call with Bennett Jones; call with Pyxus; review of court materials and filing.	4.00	
	\$990.00 per hour x total hrs of	10.50	\$10,395.00

Jodi Porepa

10/11/21	Review motion materials; review Monitor's report and updated cash flow forecast.	1.50	
10/12/21	Internal discussions regarding distribution analysis; update court report; update claims summaries; review claims reconciliations.	3.50	
10/13/21	Internal discussions regarding distribution analysis; update court report; update claims summaries; review claims reconciliations.	3.30	
10/14/21	Review variance analysis; review proposed disbursements; internal discussions in respect of same.	1.70	
10/15/21	Internal discussions regarding distribution analysis; update court report; update claims summaries; review claims reconciliations.	1.50	
	\$885.00 per hour x total hrs of	11.50	\$10,177.50

Graham McIntyre

10/12/21	Discussion with Management regarding cash flow forecast for court report; cash flow forecast bridge to walkthrough key differences to key stakeholders; preparing Court report exhibits; updating sections to the court report.	4.50	
10/14/21	Reconciling Monitor and Company's bank account for court reporting purposes; review of fee affidavit; updating tables in court report.	2.80	
10/15/21	Uploading documents to Monitor's website.	0.30	
	\$565.00 per hour x total hrs of	7.60	\$4,294.00

Kathleen Foster

10/15/21	Website updates performed for FTI Case Sites for FIGR.	0.30	
	\$145.00 per hour x total hrs of	0.30	\$43.50

Sales Process

James Belcher

10/12/21	Correspondence regarding environmental issues.	0.50	
10/14/21	Correspondence re environmental issues.	0.50	
	\$905.00 per hour x total hrs of	1.00	\$905.00

Patrick Kennedy

10/14/21	Review and comment on various environmental reports; communication with Norfolk purchaser counsel regarding same.	1.30	
	\$505.00 per hour x total hrs of	1.30	\$656.50



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

October 29, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005077

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through October 24, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 29, 2021
FTI Invoice No. 29005077
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 24, 2021

	CAD (\$)
Professional Services.....	\$28,349.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$28,349.50
HST Registration No. 835718024RT0001	\$3,685.44
Total Amount Due this Period.....	\$32,034.94
Total Amount Due.....	<u>\$32,034.94</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 29, 2021
FTI Invoice No. 29005077
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 24, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	12.60	\$12,474.00
Jodi Porepa	Managing Director	\$885.00	11.50	\$10,177.50
Graham McIntyre	Senior Consultant	\$565.00	8.60	\$4,859.00
Kathleen Foster	Executive Assistant I	\$145.00	0.30	\$43.50
Total Hours and Fees			33.0	\$27,554.00

Sales Process

Name	Title	Rate	Hours	Total
Jamie Belcher	Senior Managing Director	\$905.00	0.60	\$543.00
Patrick Kennedy	Senior Consultant	\$565.00	0.50	\$252.50
Total Hours and Fees			1.1	\$795.50

HST Registration No. 835718024RT0001 **\$3,685.44**

Invoice Total for Current Period **\$32,034.94**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

10/18/21	Call with counsel; call with management; work on regulatory matters.	2.50	
10/19/21	Prepare and attend court hearing; work on regulatory matters.	3.00	
10/20/21	Work on claims; work on file finalization matters; work on regulatory matters; work on sale matters including call with purchaser.	2.50	
10/21/21	Calls with legal counsel; call with Norfolk management; update call with team on receivables; call with purchaser.	2.50	
10/22/21	File finalization matters; work on purchaser matters.	2.10	
	\$990.00 per hour x total hrs of	12.60	\$12,474.00

Jodi Porepa

10/18/21	Internal status update discussions; review draft communication regarding claims; attend court; call with Cassels Brock and Bennett Jones to discuss Norfolk sale.	2.50	
10/19/21	Case administration; review variance analysis; review court materials; internal status update discussion.	2.50	
10/20/21	Review variance analysis; attend court hearing; internal status update; discussion in respect of certain claims.	2.50	
10/21/21	Review proposed disbursements; internal status update discussions; follow up on specific claims.	2.00	
10/22/21	Review correspondence regarding Revenue Quebec; review updated distribution analysis; review fee summaries; review variance analysis explanations.	2.00	
	\$885.00 per hour x total hrs of	11.50	\$10,177.50

Graham McIntyre

10/18/21	Review prior week variance analysis; communications regarding variance analysis; updating variance analysis workbook for updated cash flow forecast provided to the Court.	2.50	
10/19/21	Uploading documents to Monitor's website; internal discussions regarding engagement matters; drafting communications to counsel regarding certain claims.	2.00	
10/20/21	Communications with counsel regarding certain claims; internal communication regarding prior week variance analysis; communication with employee claimant; preparing for distribution of proceeds.	3.30	
10/22/21	Communications regarding a certain claim; communications with counsel as well as the claimant.	0.80	
	\$565.00 per hour x total hrs of	8.60	\$4,859.00

Kathleen Foster

10/19/21	Website updates performed for FTI Case Sites for FIGR.	0.30	
	\$145.00 per hour x total hrs of	0.30	\$43.50

Sales Process

James Belcher

10/21/21	Call regarding environmental and Accounts Receivable issues.	0.60	
	\$905.00 per hour x total hrs of	0.60	\$543.00



Invoice Activity

Patrick Kennedy
10/21/21

<u>Update call regarding FIGR Norfolk environmental assessment.</u>	<u>0.50</u>	
\$505.00 per hour x total hrs of	0.50	\$252.50



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

October 31, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005100

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through October 31, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 31, 2021
FTI Invoice No. 29005100
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 31, 2021

	CAD (\$)
Professional Services.....	\$20,227.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$20,227.50
HST Registration No. 835718024RT0001	\$2,629.58
Total Amount Due this Period.....	\$22,857.08
Total Amount Due.....	<u>\$22,857.08</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

October 31, 2021
FTI Invoice No. 29005100
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through October 31, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	9.00	\$8,910.00
Jodi Porepa	Managing Director	\$885.00	8.00	\$7,080.00
Graham McIntyre	Senior Consultant	\$565.00	7.50	\$4,237.50
Total Hours and Fees			24.5	\$20,227.50

HST Registration No. 835718024RT0001 **\$2,629.58**

Invoice Total for Current Period **\$22,857.08**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

10/25/21	Attend calls with management; work on licensing matters; correspondence with Bennett Jones.	2.00	
10/26/21	Work on claims; work on file finalization matters; work on environmental matters.	1.50	
10/27/21	Work on file finalization matters; attend call with management; attend call with legal counsel; review of variance analysis.	2.00	
10/28/21	Attend calls with legal counsel; work sale matters; work on employee matters and attend call regarding the same.	2.50	
10/29/21	Attend update call with management; attend update call with Bennett Jones; attend update call with Pyxus; attend regulatory matters.	1.00	
<u>\$990.00 per hour x total hrs of</u>		<u>9.00</u>	<u>\$8,910.00</u>

Jodi Porepa

10/26/21	Review updated distribution analysis; review cash account reconciliation; review variance analysis; discussions in respect of the same.	2.00	
10/27/21	Review variance analysis; discussion in respect of next steps; review updated cash reconciliation.	1.50	
10/28/21	Variance analysis; review disbursements; distribution analysis review.	2.50	
10/29/21	Review disbursements; review updated fee summary; discussions in respect of same.	2.00	
<u>\$885.00 per hour x total hrs of</u>		<u>8.00</u>	<u>\$7,080.00</u>

Graham McIntyre

10/25/21	Review correspondence regarding Revenue Quebec; review prior week variance analysis.	2.00	
10/26/21	Review and correspondence regarding prior week variance analysis; review and correspondence regarding Monitor's bank account; Monitor's bank reconciliation matters; correspondence regarding Revenue Quebec claim.	3.50	
10/29/21	Review of upcoming week's disbursements; review of professional fees; internal discussions regarding engagement matters; updating claims register.	2.00	
<u>\$565.00 per hour x total hrs of</u>		<u>7.50</u>	<u>\$4,237.50</u>



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

November 14, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005105

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through November 7, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature down to the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 14, 2021
FTI Invoice No. 29005105
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 7, 2021

	CAD (\$)
Professional Services.....	\$29,699.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$29,699.00
HST Registration No. 835718024RT0001	\$3,860.87
Total Amount Due this Period.....	\$33,559.87
Total Amount Due.....	<u>\$33,559.87</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 14, 2021
FTI Invoice No. 29005105
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 7, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	13.00	\$12,870.00
Jodi Porepa	Managing Director	\$885.00	9.40	\$8,319.00
Graham McIntyre	Senior Consultant	\$565.00	13.30	\$7,514.50
Total Hours and Fees			35.7	\$28,703.50

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	1.10	\$995.50
Total Hours and Fees			1.1	\$995.50

HST Registration No. 835718024RT0001 **\$3,860.87**

Invoice Total for Current Period **\$33,559.87**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

11/01/21	Work on sale closure matters; claim matters; calls regarding regulatory matters.	3.00	
11/02/21	Calls with legal counsel; sale closure matters; review of financial information.	2.50	
11/03/21	Call with Bennett Jones regarding employee matters; correspondence from the purchaser;	2.50	
11/04/21	Regulatory matters; call with management; deal finalization matters.	2.50	
11/05/21	Regulatory matters; call with management; deal finalization matters.	2.50	
<u>\$990.00 per hour x total hrs of</u>		<u>13.00</u>	<u>\$12,870.00</u>

Jodi Porepa

11/01/21	Review distribution calculation; discussions in respect of upcoming distribution and outstanding items.	1.80	
11/02/21	Review variance analysis; discussions in respect of upcoming distribution; follow up on outstanding items needed for next steps.	1.00	
11/03/21	Review variance analysis; discussions in respect of upcoming distribution; follow up on outstanding items needed for next steps.	2.20	
11/04/21	Review proposed disbursements; review bank account reconciliation; discussions regarding distribution mechanics; discussions regarding certain claims.	2.40	
11/05/21	Review proposed disbursements; review bank account reconciliation; discussions regarding distribution mechanics; discussions regarding certain claims.	2.00	
<u>\$885.00 per hour x total hrs of</u>		<u>9.40</u>	<u>\$8,319.00</u>

Graham McIntyre

11/01/21	Review and correspondence regarding prior week variance analysis; internal discussions regarding the distribution of proceeds.	2.50	
11/02/21	Correspondence regarding prior week variance analysis; Monitor's bank reconciliation matters; review of physical mail sent to the Monitor.	3.00	
11/03/21	Review of updated Interco schedule; preparing Ascend creditor schedules for distribution.	3.00	
11/04/21	Review of upcoming week's disbursements; review of professional fees; internal discussions regarding engagement matters.	2.00	
11/05/21	Internal discussions regarding engagement matters; drafting notices of distribution to employee claimants.	2.80	
<u>\$565.00 per hour x total hrs of</u>		<u>13.30</u>	<u>\$7,514.50</u>

Sales Process

James Belcher

11/04/21	Call with purchaser; call with FTI.	1.10	
<u>\$905.00 per hour x total hrs of</u>		<u>1.10</u>	<u>\$995.50</u>



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

November 20, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005111

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through November 14, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature towards the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 20, 2021
FTI Invoice No. 29005111
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 14, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$29,805.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$29,805.00
HST Registration No. 835718024RT0001	\$3,874.65
Total Amount Due this Period.....	\$33,679.65
Total Amount Due.....	<u>\$33,679.65</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 20, 2021
FTI Invoice No. 29005111
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 14, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	11.00	\$10,890.00
Jodi Porepa	Managing Director	\$885.00	14.40	\$12,744.00
Graham McIntyre	Senior Consultant	\$565.00	9.00	\$5,085.00
Total Hours and Fees			34.4	\$28,719.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	1.20	\$1,086.00
Total Hours and Fees			1.2	\$1,086.00

HST Registration No. 835718024RT0001 **\$3,874.65**

Invoice Total for Current Period **\$33,679.65**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

11/08/21	Review of information from Health Canada; attend call with Bennett Jones regarding the same; call with Norfolk management.	2.50		
11/09/21	Call with Bennett Jones; call with management; work on regulatory matters.	2.00		
11/10/21	Call with Bennett Jones; review environmental report; work on closing matters.	2.50		
11/11/21	Work on regulatory matters; attend call regarding the same; review of financial analysis.	2.00		
11/12/21	Work on claims matters; work on regulatory matters; call with Ryan Atkinson.	2.00		
			\$990.00 per hour x total hrs of	11.00 \$10,890.00

Jodi Porepa

11/08/21	Review variance analysis; review outstanding claims and discuss same; other general administration.	3.10		
11/09/21	Review variance analysis; review outstanding claims and discuss same; review correspondence on certain suppliers; internal discussions regarding status update.	2.50		
11/10/21	Internal discussions on certain suppliers; internal discussions on distributions; follow up with management; review actuals to date; draft response to CIG.	3.30		
11/11/21	Review variance analysis; internal discussions in respect of same; review CIG emails; discuss same with management, follow up with counsel in respect of same.	3.00		
11/12/21	Discussions in respect of next steps regarding CIG issue, discussions with counsel and management in respect of same; review claims register, follow up on outstanding claims; discussion with counsel.	2.50		
			\$885.00 per hour x total hrs of	14.40 \$12,744.00

Graham McIntyre

11/08/21	Review and correspondence regarding prior week variance analysis; internal discussions and review regarding certain claims.	3.50		
11/09/21	Internal discussions regarding certain SSPA closing price adjustment matters.	0.50		
11/10/21	Updating claims register; drafting notice letters to creditors for distribution of proceeds; internal discussions regarding engagement matters.	3.00		
11/11/21	Review and correspondence regarding proposed disbursements.	2.00		
			\$565.00 per hour x total hrs of	9.00 \$5,085.00

Sales Process

James Belcher

11/10/21	Call with J. Rosenberg; review of environmental report.	1.20		
			\$905.00 per hour x total hrs of	1.20 \$1,086.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

November 29, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005115

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through November 21, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 29, 2021
FTI Invoice No. 29005115
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 21, 2021

	CAD (\$)
Professional Services.....	\$36,429.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$36,429.50
HST Registration No. 835718024RT0001	\$4,735.84
Total Amount Due this Period.....	\$41,165.34
Total Amount Due.....	<u>\$41,165.34</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 29, 2021
FTI Invoice No. 29005115
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 21, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	11.50	\$11,385.00
Jodi Porepa	Managing Director	\$885.00	14.80	\$13,098.00
Graham McIntyre	Senior Consultant	\$565.00	16.60	\$9,379.00
Total Hours and Fees			42.9	\$33,862.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	2.00	\$1,810.00
Patrick Kennedy	Senior Consultant	\$505.00	1.50	\$757.50
Total Hours and Fees			3.5	\$2,567.50

HST Registration No. 835718024RT0001 **\$4,735.84**

Invoice Total for Current Period **\$41,165.34**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

11/15/21	Attend calls with Bennett Jones regarding purchaser, review correspondence regarding the same, call with Norfolk management regarding status update, correspondence from Larry Huzco, correspondence regarding certain customers.	2.50	
11/16/21	Call with Bennett Jones and Norfolk management, scheduling regarding environmental matters; review of distribution matters.	2.50	
11/17/21	Work with respect to finalizing the transaction, calls regarding the same.	1.00	
11/18/21	Attend update call with Norfolk management, call from creditors, call with Bennett Jones.	2.50	
11/19/21	Work on environmental matters, work on claims update; calls with legal counsel.	3.00	
	\$990.00 per hour x total hrs of	11.50	\$11,385.00

Jodi Porepa

11/15/21	Review variance analysis, review preliminary distribution analysis, review correspondence with CIG.	2.00	
11/16/21	Review updated distribution next steps; review outstanding claims; discussions in respect of same.	3.50	
11/17/21	Review variance analysis, review status of certain claims, review reconciliation.	1.30	
11/18/21	Review updated distribution analysis; internal discussions in respect of same; review analysis and provide comments.	3.50	
11/19/21	Update and finalize distribution analysis, internal discussions regarding same.	4.50	
	\$885.00 per hour x total hrs of	14.80	\$13,098.00

Graham McIntyre

11/15/21	Review and correspondence regarding prior week variance analysis; internal discussions regarding engagement matters, discussions regarding certain claims.	3.30	
11/18/21	Distribution of proceeds analysis and discuss same; updates to employee claim calculations.	5.00	
11/18/21	Review and correspondence regarding proposed disbursements.	1.80	
11/19/21	Distribution of proceeds analysis and discuss same; updates to employee claim calculations.	6.50	
	\$565.00 per hour x total hrs of	16.60	\$9,379.00

Sales Process

James Belcher

11/15/21	Correspondence regarding Norfolk transaction.	1.00	
11/18/21	Correspondence regarding Norfolk transaction.	1.00	
	\$905.00 per hour x total hrs of	2.00	\$1,810.00

Patrick Kennedy

11/15/21	Review of Norfolk environmental report; discussions with team regarding same.	1.00	
11/19/21	Review of Norfolk purchase transitional documents.	0.50	
	\$505.00 per hour x total hrs of	1.50	\$757.50



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

November 30, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005143

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through November 30, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature towards the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 30, 2021
FTI Invoice No. 29005143
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 30, 2021

	CAD (\$)
Professional Services.....	\$34,497.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$34,497.00
HST Registration No. 835718024RT0001	\$4,484.61
Total Amount Due this Period.....	\$38,981.61
Total Amount Due.....	<u>\$38,981.61</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

November 30, 2021
FTI Invoice No. 29005143
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through November 30, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	15.30	\$15,147.00
Jodi Porepa	Managing Director	\$885.00	13.20	\$11,682.00
Graham McIntyre	Senior Consultant	\$565.00	8.80	\$4,972.00
Total Hours and Fees			37.3	\$31,801.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	2.70	\$2,443.50
Patrick Kennedy	Senior Consultant	\$505.00	0.50	\$252.50
Total Hours and Fees			3.2	\$2,696.00

HST Registration No. 835718024RT0001 **\$4,484.61**

Invoice Total for Current Period **\$38,981.61**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

11/22/21	Review of Hifyre claim issue; correspondence with the purchaser counsel; correspondence with legal counsel; review of files.	2.50		
11/23/21	Review of queries from the management; correspondence with Bennett Jones.	2.00		
11/24/21	Call with legal counsel; call with management; work on getting environmental matters done.	2.30		
11/25/21	Review of funding requirements; work on closing matters.	2.00		
11/26/21	File finalization matters; review of claims; review of financial information.	2.50		
11/29/21	Calls with legal counsel; call with prospective purchaser; work on file closing matters.	2.00		
11/30/21	Call with Bennett Jones; work on financial review.	2.00		
	\$990.00 per hour x total hrs of	15.30		\$15,147.00

Jodi Porepa

11/22/21	Review financial information; internal update discussions, review distribution analysis, follow up on certain claims.	1.50		
11/23/21	Review variance analysis; internal update discussions, review distribution analysis, follow up on certain claims.	2.50		
11/24/21	Review variance analysis, internal discussions regarding same.	2.60		
11/25/21	Review proposed disbursements, discussions in respect of same	2.00		
11/26/21	Review variance analysis, review distribution analysis, general administration	2.60		
11/29/21	Review actual disbursements, general administration	1.00		
11/30/21	Review variance analysis, discussions in respect of same, follow up regarding certain open claims.	1.00		
	\$885.00 per hour x total hrs of	13.20		\$11,682.00

Graham McIntyre

11/22/21	Review and correspondence regarding prior week variance.	2.30		
11/23/21	Internal discussions regarding engagement matters; updating distribution of proceeds analysis model.	1.00		
11/25/21	Review and correspondence regarding proposed disbursements and funding from advances from Monitor's account.	2.50		
11/30/21	Processing wire for weekly funding; review of prior week variance analysis.	3.00		
	\$565.00 per hour x total hrs of	8.80		\$4,972.00

Sales Process

James Belcher

11/22/21	Various correspondence.	1.50		
11/29/21	Call with FTI; call with purchaser counsel.	1.20		
	\$905.00 per hour x total hrs of	2.70		\$2,443.50

Patrick Kennedy

11/25/21	Matters pertaining to Norfolk phase 2 environmental.	0.50		
	\$505.00 per hour x total hrs of	0.50		\$252.50



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

December 11, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005146

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through December 5, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature down to the name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 11, 2021
FTI Invoice No. 29005146
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 5, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$13,829.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$13,829.50
HST Registration No. 835718024RT0001	\$1,797.84
Total Amount Due this Period.....	\$15,627.34
Total Amount Due.....	<u>\$15,627.34</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 11, 2021
FTI Invoice No. 29005146
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 5, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	7.50	\$7,425.00
Jodi Porepa	Managing Director	\$885.00	3.00	\$2,655.00
Graham McIntyre	Senior Consultant	\$565.00	3.50	\$1,977.50
Total Hours and Fees			14.0	\$12,057.50

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	1.40	\$1,267.00
Patrick Kennedy	Senior Consultant	\$505.00	1.00	\$505.00
Total Hours and Fees			2.4	\$1,772.00

HST Registration No. 835718024RT0001 **\$1,797.84**

Invoice Total for Current Period **\$15,627.34**



Invoice Activity

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

12/01/21	Work on file closure matters; calls with legal counsel; work with respect site visit; work on employee issues.	2.00	
12/02/21	Work on file closure matters; calls with legal counsel; work with respect site visit; work on employee issues; review of variance analysis;	2.50	
12/03/21	Work on file closure matters; calls with legal counsel; work with respect site visit; work on employee issues; work on claims matters; review of disbursements.	3.00	
	<u>\$990.00 per hour x total hrs of</u>	<u>7.50</u>	<u>\$7,425.00</u>

Jodi Porepa

12/02/21	Variance analysis; follow up on outstanding claims; review distribution analysis.	1.50	
12/03/21	Review variance analysis, review proposed disbursements, discuss Norfolk-related claims, follow up on certain outstanding claims.	1.50	
	<u>\$885.00 per hour x total hrs of</u>	<u>3.00</u>	<u>\$2,655.00</u>

Graham McIntyre

12/02/21	Review and correspondence regarding proposed disbursements and funding from advances from Monitor's account.	3.00	
12/03/21	Internal discussions regarding engagement matters.	0.50	
	<u>\$565.00 per hour x total hrs of</u>	<u>3.50</u>	<u>\$1,977.50</u>

Sales Process

James Belcher

12/02/21	Review of proposed correspondence; call with counsels.	1.40	
	<u>\$905.00 per hour x total hrs of</u>	<u>1.40</u>	<u>\$1,267.00</u>

Patrick Kennedy

11/29/21	Matters pertaining to Norfolk closing.	0.50	
12/01/21	Matters pertaining to Norfolk closing.	0.30	
12/02/21	Matters pertaining to Norfolk closing.	0.20	
	<u>\$505.00 per hour x total hrs of</u>	<u>1.00</u>	<u>\$505.00</u>



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

December 18, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005153

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through December 12, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature towards the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 18, 2021
FTI Invoice No. 29005153
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 12, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$28,074.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$28,074.00
HST Registration No. 835718024RT0001	\$3,649.62
Total Amount Due this Period.....	\$31,723.62
Total Amount Due	<u>\$31,723.62</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 18, 2021
FTI Invoice No. 29005153
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 12, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	15.00	\$14,850.00
Jodi Porepa	Managing Director	\$885.00	9.20	\$8,142.00
Graham McIntyre	Senior Consultant	\$565.00	7.30	\$4,124.50
Total Hours and Fees			31.5	\$27,116.50

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	0.50	\$452.50
Patrick Kennedy	Senior Consultant	\$505.00	1.00	\$505.00
Total Hours and Fees			1.5	\$957.50

HST Registration No. 835718024RT0001 **\$3,649.62**

Invoice Total for Current Period **\$31,723.62**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

12/06/21	Attend call with counsel; attend call with Bennett Jones; attend call with David Hyde; work on closing matters.	2.00	
12/07/21	Review correspondence from Health Canada; call with legal counsel; call with management; call with David Hyde and Bennett Jones; review of payments.	2.00	
12/08/21	Call with management; work on employee matters; correspondence with Hyde; call with Ryan Atkinson, Bennett Jones and company.	3.00	
12/09/21	Call with management; call with legal counsel; review of claims; work on closing matters.	3.00	
12/10/21	Work on closing matters; calls with legal counsel; correspondence with Hyde advisory; call with capital advisors for update; attend update call with Pyxus.	2.00	
12/11/21	Prepare for and attend call with Cassels and Bennett Jones; review of files.	1.50	
12/12/21	Work on claims matters.	1.50	
	\$990.00 per hour x total hrs of	15.00	\$14,850.00

Jodi Porepa

12/06/21	Review variance analysis; internal discussions regarding same.	1.50	
12/07/21	Review variance analysis; discussion with counsel regarding Norfolk employees; review proposed disbursements.	2.00	
12/08/21	Review variance analysis; distribution analysis; internal discussions regarding wind down.	1.50	
12/09/21	Review variance analysis; discussion with counsel regarding Norfolk employees; review proposed disbursements.	2.00	
12/10/21	Review variance analysis; discussion with counsel regarding Norfolk employees; review proposed disbursements.	2.20	
	\$885.00 per hour x total hrs of	9.20	\$8,142.00

Graham McIntyre

12/07/21	Internal discussions regarding engagement matters; processing wire for weekly funding; review of prior week variance analysis.	3.50	
12/08/21	Internal discussions regarding engagement matters.	0.50	
12/09/21	Review of proposed disbursements and funding requests for upcoming week.	2.80	
12/10/21	Communication to Company counsel regarding employee claims and internal discussions regarding the same.	0.50	
	\$565.00 per hour x total hrs of	7.30	\$4,124.50

Sales Process

James Belcher

12/10/21	Update call.	0.50	
	\$905.00 per hour x total hrs of	0.50	\$452.50

Patrick Kennedy

12/06/21	Call with counsel and Norfolk management regarding transitional items for Purchaser.	0.50	
12/10/21	Internal update call regarding Norfolk.	0.50	
	\$505.00 per hour x total hrs of	1.00	\$505.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

December 24, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005160

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through December 19, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature to the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 24, 2021
FTI Invoice No. 29005160
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 19, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$37,770.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$37,770.50
HST Registration No. 835718024RT0001	\$4,910.17
Total Amount Due this Period.....	\$42,680.67
Total Amount Due.....	<u>\$42,680.67</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 24, 2021
FTI Invoice No. 29005160
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 19, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	18.50	\$18,315.00
Jodi Porepa	Managing Director	\$885.00	12.80	\$11,328.00
Graham McIntyre	Senior Consultant	\$565.00	9.20	\$5,198.00
Total Hours and Fees			40.5	\$34,841.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	2.40	\$2,172.00
Patrick Kennedy	Senior Consultant	\$505.00	1.50	\$757.50
Total Hours and Fees			3.9	\$2,929.50

HST Registration No. 835718024RT0001 **\$4,910.17**

Invoice Total for Current Period **\$42,680.67**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

12/13/21	Work on Fourth Amendment; call with management; attend call with Bennett Jones; call with David Hyde and management; call with purchasers.	3.00	
12/14/21	Review and approve disbursements; call regarding fourth amendment to agreement; discussion with David Hyde; review of correspondence to Health Canada; call with Bennett Jones and Cassels regarding Fourth Amendment; review of employee matters; review of revisions for Fourth Amendment; attend facility preparation call.	3.50	
12/15/21	Review extension agreement and make revisions; call with Cassels regarding the same; call with Bennett Jones and Cassels; work on employee matters; review of correspondence from Health Canada; attend update call with David Hyde; work on modifications to agreement with respect to purchaser.	3.50	
12/16/21	Work on employee matters; work on Health Canada matters; review of funding; attend update call with legal counsel and Management;	3.00	
12/17/21	Calls with Bennett Jones; calls with Cassels; calls with Management; review of revised agreement; review of correspondence; work on claims matters;	3.50	
12/18/21	Work on employee matters; work on claims matters.	1.00	
12/19/21	Work on distribution analysis; call with Jodi Porepa regarding the same.	1.00	
<u>\$990.00 per hour x total hrs of</u>		<u>18.50</u>	<u>\$18,315.00</u>

Jodi Porepa

12/13/21	Internal discussions on status, discussions on next steps to wind down, discussions regarding Norfolk employee and financial calculations to be prepared.	2.40	
12/14/21	Review proposed disbursements; follow discussions internally; review updated distribution analysis and provide comments.	1.70	
12/15/21	Review variance analysis; review claims register; internal discussions regarding same; discuss updated distribution analysis; call with counsel to discuss updated Norfolk-related claim amounts and potential payments.	2.90	
12/16/21	Review proposed disbursements; follow discussions internally; review updated distribution analysis and provide comments.	3.10	
12/17/21	Review variance analysis; review updated distribution analysis and finalize.	2.70	
<u>\$885.00 per hour x total hrs of</u>		<u>12.80</u>	<u>\$11,328.00</u>

Graham McIntyre

12/14/21	Preparing wire for weekly funding.	0.20	
12/16/21	Updating distribution of proceeds analysis and discussions regarding the same.	5.50	
12/16/21	Review and revisions to employee vacation and claim calculations; walkthrough of calculations with Company and counsels.	2.50	
12/17/21	Review of upcoming disbursements and funding requests.	1.00	
<u>\$565.00 per hour x total hrs of</u>		<u>9.20</u>	<u>\$5,198.00</u>



Invoice Activity

Sales Process

James Belcher

12/14/21	Correspondence; call with FTI.	0.90	
12/15/21	Various correspondence.	0.50	
12/16/21	Various correspondence.	0.50	
12/17/21	Various correspondence.	0.50	
		<hr/>	
	\$905.00 per hour x total hrs of	2.40	\$2,172.00

Patrick Kennedy

12/14/21	Matters pertaining to closing FIGR Norfolk	0.50	
12/15/21	Matters pertaining to closing FIGR Norfolk	0.50	
12/16/21	Matters pertaining to closing FIGR Norfolk	0.50	
		<hr/>	
	\$505.00 per hour x total hrs of	1.50	\$757.50



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

December 31, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005173

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through December 31, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a long, sweeping underline that extends to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 31, 2021
FTI Invoice No. 29005173
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 31, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$35,206.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$35,206.50
HST Registration No. 835718024RT0001	\$4,576.85
Total Amount Due this Period.....	\$39,783.35
Total Amount Due.....	<u>\$39,783.35</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

December 31, 2021
FTI Invoice No. 29005173
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 31, 2021

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$990.00	12.00	\$11,880.00
Jodi Porepa	Managing Director	\$885.00	15.50	\$13,717.50
Graham McIntyre	Senior Consultant	\$565.00	10.60	\$5,989.00
Total Hours and Fees			38.1	\$31,586.50

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$905.00	4.00	\$3,620.00
Total Hours and Fees			4.0	\$3,620.00

HST Registration No. 835718024RT0001 **\$4,576.85**

Invoice Total for Current Period **\$39,783.35**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

12/20/21	Work with respect to Norfolk startup; work with respect to licensing matters; work on employee matters; update call with legal counsel on claims.	2.00	
12/21/21	Work on employee matters; work on closing matters.	2.00	
12/22/21	Call with management; call with Bennett Jones; call with management and Bennett Jones; call with Parth; call with Cassels; call with Bennett Jones; work on employee matters.	2.00	
12/23/21	Call with Bennett Jones and management; call with Parth; call with Bennett Jones; call with Cassels.	2.00	
12/24/21	Various calls with management and legal counsel regarding closing.	1.00	
12/29/21	Call with legal counsel, review of correspondence.	1.00	
12/30/21	Call with legal counsel, work on court report.	1.00	
12/31/21	Call with legal counsel, review of correspondence; work with respect to court report.	1.00	
	\$990.00 per hour x total hrs of	12.00	\$11,880.00

Jodi Porepa

12/20/21	Call with counsel to discuss certain claims; review variance analysis.	1.50	
12/21/21	Call with counsel to discuss pre-filing report; review variance analysis; internal discussions regarding same; internal discussions regarding updating distribution calculation; review sample distribution reports and begin drafting new report.	2.50	
12/22/21	Call with counsel to discuss pre-filing report; review variance analysis; internal discussions regarding same; internal discussions regarding updating distribution calculation; review sample distribution reports and begin drafting new report.	3.00	
12/23/21	Review variance analysis; respond to ad hoc requests; call with counsel to discuss report; review revisions to draft cash flow forecast.	3.00	
12/24/21	Review draft report; review updated distribution analysis; draft preliminary report.	3.50	
12/30/21	Review and prepare upcoming court report.	2.00	
	\$885.00 per hour x total hrs of	15.50	\$13,717.50

Graham McIntyre

12/20/21	Review of prior week variance analysis; discussions regarding employee claim calculations.	2.50	
12/21/21	Processing wire for disbursement funding.	0.30	
12/22/21	Preparing draft cash flow forecast for upcoming court report; finalizing draft employee claim statement letters.	4.30	
12/23/21	Sending employee claim statement letters to claimants; review of certain disbursements; internal discussions regarding engagement matters; walkthrough of draft cash flow forecast for the upcoming court report.	3.50	
	\$565.00 per hour x total hrs of	10.60	\$5,989.00



Invoice Activity

Sales Process

James Belcher

12/22/21	Call with FIGR management and FTI; review of correspondence.	1.50	
12/23/21	Call with FIGR management and FTI; review of correspondence.	1.00	
12/24/21	Review of correspondence.	0.50	
12/27/21	Review of correspondence.	1.00	
	<hr/>		
	\$905.00 per hour x total hrs of	4.00	\$3,620.00
			<hr/>



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 15, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005191

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 9, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a long, sweeping underline that extends to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 15, 2022
FTI Invoice No. 29005191
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 9, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$44,213.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$44,213.00
HST Registration No. 835718024RT0001	\$5,747.69
Total Amount Due this Period.....	\$49,960.69
Total Amount Due.....	<u>\$49,960.69</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 15, 2022
FTI Invoice No. 29005191
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 9, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	13.00	\$13,260.00
Jodi Porepa	Managing Director	\$910.00	17.80	\$16,198.00
Graham McIntyre	Senior Consultant	\$610.00	16.60	\$10,126.00
Total Hours and Fees			47.4	\$39,584.00

Sales Process

Name	Title	Rate	Hours	Total
Adam Zalev	Senior Managing Director	\$1,085.00	1.50	\$1,627.50
James Belcher	Senior Managing Director	\$935.00	2.90	\$2,711.50
Patrick Kennedy	Senior Consultant	\$580.00	0.50	\$290.00
Total Hours and Fees			4.9	\$4,629.00

HST Registration No. 835718024RT0001 **\$5,747.69**

Invoice Total for Current Period **\$49,960.69**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

01/04/22	Review of correspondence and files; review of financial summaries; review of employee matters; attend update call; work on closing matters; review of budget to actual variances.	3.00	
01/05/22	Work on claims matters; work on employee matters; work on closing matters; calls with Bennett Jones; work on Monitor's draft report.	3.00	
01/06/22	Attend update call with David Hyde and Bennett Jones; attend update call with Jamie Belcher; review of budget to actual variances; review of pre-filing invoices.	3.00	
01/07/22	Work on closing matters; review of correspondence; call with Bennett Jones; work on employee matters.	2.00	
01/09/22	Attend calls Cassels Brock and Bennett Jones; attend calls with management; review of files.	2.00	
		\$1,020.00 per hour x total hrs of	\$13,260.00

Jodi Porepa

01/04/22	Review draft report; draft preliminary verbiage for the report; review claims pool; prepare summaries of claims; review sample precedent reports.	4.30	
01/05/22	Internal call to discuss employee response; review claims register; review claims summaries; call with counsel to discuss report; review and respond regarding enquiries from creditors.	4.30	
01/06/22	Call with counsel; discussion regarding upcoming court hearing; review sample reports; prepare claims summaries; prepare distribution summary templates; review variance analysis; respond to creditor enquiries; discussions regarding distributions and additional information needed.	4.60	
01/07/22	Review court report; prepare summaries for report; review distribution analysis; review proposed disbursements; review variance analysis; review Norfolk calculations; call with former employees.	4.60	
		\$910.00 per hour x total hrs of	\$16,198.00

Graham McIntyre

01/04/22	Review of professional fees; drafting a response to Employee Claimant's letter; communication to Employee Claimant; internal discussions regarding engagement matters.	2.50	
01/05/22	Review of certain claims outstanding; review and update the Claims Register and Claims Register summary tables; review of prior week variance analysis; updating draft cash flow forecast.	4.80	
01/06/22	Ad hoc analysis on updated draft cash flow forecast; internal walk-through of the forecast for the court report.	1.50	
01/06/22	Review of upcoming disbursements; funding and preliminary budget to actual.	2.30	
01/07/22	Updating cash flow forecast for court report; internal discussions regarding same; work on court report; analysis and discussions regarding Norfolk vacation balances owing and payout; finalizing prior week variance analysis.	5.50	
		\$610.00 per hour x total hrs of	\$10,126.00



Invoice Activity

Sales Process

Adam Zalev

01/07/22	Sale Process Matters.	1.50	
	\$1,085.00 per hour x total hrs of	1.50	\$1,627.50

James Belcher

01/05/22	Various correspondence regarding Norfolk; internal call to discuss same.	0.50	
01/06/22	Various correspondence regarding Norfolk close.	0.30	
01/07/22	Various correspondence regarding Norfolk close; internal call to discuss same.	0.50	
01/09/22	Calls with FTI; review of correspondence.	1.60	
	\$935.00 per hour x total hrs of	2.90	\$2,711.50

Patrick Kennedy

01/09/22	Correspondence related to Norfolk close; internal discussions regarding same.	0.50	
	\$580.00 per hour x total hrs of	0.50	\$290.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 24, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005199

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 16, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature towards the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 24, 2022
FTI Invoice No. 29005199
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 16, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$53,024.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$53,024.00
HST Registration No. 835718024RT0001	\$6,893.12
Total Amount Due this Period.....	\$59,917.12
Total Amount Due.....	<u>\$59,917.12</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 24, 2022
FTI Invoice No. 29005199
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 16, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	15.50	\$15,810.00
Jodi Porepa	Managing Director	\$910.00	17.90	\$16,289.00
Graham McIntyre	Senior Consultant	\$610.00	22.20	\$13,542.00
Total Hours and Fees			55.6	\$45,641.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$935.00	7.40	\$6,919.00
Patrick Kennedy	Senior Consultant	\$580.00	0.80	\$464.00
Total Hours and Fees			8.2	\$7,383.00

HST Registration No. 835718024RT0001 **\$6,893.12**

Invoice Total for Current Period **\$59,917.12**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

01/10/22	Review of draft default letter; calls with Cassels regarding same; calls with Bennett Jones regarding the same; review of budget to actual; update call with Pyxus; work with respect to employee concerns; review of insurance matters; work on regulatory matters.	5.00	
01/11/22	Review correspondence from creditors; calls with Bennett Jones; review of correspondence from Ryan Atkinson; work on employee matters; call with Ryan Atkinson; work on claims matters; review of correspondence from Cassels.	3.50	
01/12/22	Attend several calls with respect to documentation for reviving terminated Asset Purchase Agreement; review documentation regarding the same; review various forms of documentation with respect purchaser; attend calls with Purchaser; several calls with Cassels regarding the same; review of draft distribution analysis.	5.00	
01/13/22	Correspondence with David Hyde; review of insurance matters.	2.00	
	\$1,020.00 per hour x total hrs of	15.50	\$15,810.00

Jodi Porepa

01/10/22	Preliminary review of WEPPA requirements; draft preliminary report; review variance analysis.	4.60	
01/11/22	Review correspondence; review legal documents regarding Norfolk close; internal discussions regarding proposed disbursements; review variance analysis; internal discussions regarding same; internal discussions regarding WEPPA and employee claims.	4.20	
01/12/22	Review variance analysis; review key assumptions underlying distribution analysis.	3.30	
01/13/22	Review variance analysis; review proposed disbursements; follow up on outstanding claims; review response to employee queries; follow up on Norfolk remaining outstanding items.	3.10	
01/14/22	Review preliminary distribution analysis; internal discussions regarding same; review employee-related queries; internal discussions regarding same.	2.70	
	\$910.00 per hour x total hrs of	17.90	\$16,289.00

Graham McIntyre

01/10/22	Review prior week variance analysis and internal discussions regarding the same; final review of vacation benefit amounts for recently terminated employees and discussions regarding the same.	3.50	
01/11/22	Review WEPPA and preparation for WEPPA process; discussions regarding the same.	2.30	
01/11/22	Processing wire for weekly funding; internal discussions increase to funding amount to approve to cover certain employee payroll expenses.	1.30	
01/12/22	Updating certain sections of court report.	1.50	
01/12/22	Updating distribution of proceeds analysis and bridge analysis against the previous version; review Interco schedule.	5.00	
01/13/22	Communication with certain employees, and counsel regarding accrued vacation benefits; review of proposed disbursements against short-term forecast; review and approve funding for the upcoming week.	2.30	



Invoice Activity

01/14/22	Review updated distribution of proceeds analysis; communications regarding accrued vacation benefits for certain employees; drafting sections of Monitor's Court Report; prepare transaction requisition forms for Monitor's bank account.	6.30		
			\$610.00 per hour x total hrs of	22.20
				\$13,542.00

Sales Process

James Belcher

01/10/22	Review and comment on correspondence regarding Norfolk sale; calls with FTI and purchaser.	2.10		
01/11/22	Review of correspondence regarding Norfolk sale.	1.00		
01/12/22	Review and comment on correspondence regarding Norfolk sale; calls with FTI, purchaser.	1.90		
01/13/22	Review of correspondence regarding Norfolk sale.	0.80		
01/14/22	Review of amendment; correspondence regarding Norfolk sale.	1.60		
			\$935.00 per hour x total hrs of	7.40
				\$6,919.00

Patrick Kennedy

01/12/22	Review of communication regarding Norfolk closing.	0.40		
01/14/22	Review of communication regarding Norfolk closing.	0.40		
			\$580.00 per hour x total hrs of	0.80
				\$464.00

This is Exhibit "B" referred to in the affidavit of Jeffrey Rosenberg, affirmed before me by videoconference on January 27, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "B"
Calculation of Average Hourly Billing Rates of
FTI Consulting Canada Inc.
for the period October 1, 2021 to January 16, 2022

Invoice No./ Period	Fees (\$)	Expenses (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
29005066 (October 1, 2021 to October 11, 2021)	25,184.50	0.00	3,273.99	28,458.49	31.5	799.50
29005073 October 12, 2021 to October 17, 2021)	26,471.50	0.00	3,441.30	29,912.80	32.2	822.09
29005077 (October 18, 2021 to October 24, 2021)	28,349.50	0.00	3,685.44	32,034.94	34.1	831.36
29005100 (October 25, 2021 to October 31, 2021)	20,227.50	0.00	2,629.58	22,857.08	24.5	825.61
29005105 (November 1, 2021 to November 7, 2021)	29,699.00	0.00	3,860.87	33,559.87	36.8	807.03

Invoice No./ Period	Fees (\$)	Expenses (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
29005111 (November 8, 2021 to November 14, 2021)	29,805.00	0.00	3,874.65	33,679.65	35.6	837.21
29005115 (November 15 to November 21, 2021)	36,429.50	0.00	4,735.84	41,165.34	46.4	785.11
29005143 (November 22, 2021 to November 30, 2021)	34,497.00	0.00	4,484.61	38,981.61	40.5	851.77
29005146 (December 1, 2021 to December 5, 2021)	13,829.50	0.00	1,797.84	15,627.34	16.4	843.26
29005153 (December 6, 2021 to December 12, 2021)	28,074.00	0.00	3,649.62	31,723.62	33	850.72
29005160 (December 13, 2021 to December 19, 2021)	37,770.50	0.00	4,910.17	42,680.67	44.4	850.68

Invoice No./ Period	Fees (\$)	Expenses (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
29005173 (December 20, 2021 to December 31, 2021)	35,206.50	0.00	4,576.85	39,783.35	42.1	836.25
29005191 (January 1, 2022 to January 9, 2022)	44,213.00	0.00	5,747.69	49,960.69	52.3	845.37
29005199 (January 10, 2022 to January 16, 2022)	53,024.00	0.00	6,893.12	59,917.12	63.8	831.09
Total	442,781.00	0.00	57,561.57	500,342.57	533.60	829.79

This is Exhibit "C" referred to in the affidavit of Jeffrey Rosenberg, affirmed before me by videoconference on January 27, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "C"

Billing Rates of FTI Consulting Canada Inc.

For the period October 1, 2021 to January 16, 2022

CCAA

Title	Professional	Rate (\$)	Fees Billed (\$)	Hours Worked
Senior Managing Director	Jeffrey Rosenberg	990.00 (1,020.00 after January 1, 2022)	172,026.00	172.9
Managing Director	Jodi Porepa	885.00 (910.00 after January 1, 2022)	150,369.00	168.9
Senior Consultant	Graham McIntyre	565.00 (610.00 after January 1, 2022)	87,400.00	151.6
Senior Director	Hvoje Muhek	770.00	1,001.00	1.3
Executive Assistant I	Kathleen Foster	145.00	43.50	0.3

Sales Process

Title	Professional	Rate (\$)	Fees Billed (\$)	Hours Worked
Senior Managing Director	Adam Zalev	1,085.00	1,627.50	1.5
Senior Managing Director	James Belcher	905.00 (935.00 after January 1, 2022)	25,830.00	28.2
Senior Consultant	Patrick Kennedy	505.00 (580.00 after January 1, 2022)	4,440.50	8.6

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR BRANDS, INC., FIGR NORFOLK INC.
AND 1307849 B.C. LTD.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at TORONTO

**FEE AFFIDAVIT OF JEFFREY ROSENBERG
SWORN January 27, 2022**

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Ryan Jacobs LSO #: 59510J
Tel: 416.860.6465
E-mail: riacobs@cassels.com

Jane O. Dietrich, LSO #: 49302U
Tel: 416.860.5223
E-mail: jdietrich@cassels.com

Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor

APPENDIX “I”

[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.
(collectively, the "**Applicants**")

**AFFIDAVIT OF RYAN JACOBS
(sworn January 27, 2022)**

I, Ryan Jacobs, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for FTI Consulting Canada Inc., in its capacity as Monitor (the "**Monitor**") of the Applicants, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 21, 2021 as amended and restated from time to time. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. Pursuant to the Ancillary Order dated February 22, 2021, the Court approved the fees and disbursements, including Harmonized Sales Tax ("**HST**"), of Cassels in the amount of \$109,737.13 incurred during the period from January 22, 2021 to February 12, 2021. Pursuant to the DIP Amendment and Fee Approval Order dated March 31, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$133,747.00 incurred during the period principally from February 13, 2021 to March 14, 2021. Pursuant to the Stay Extension and Fee Approval Order dated April 30, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$246,264.20 incurred during the period principally from March 15, 2021 to April 18, 2021. Pursuant to the Ancillary Order dated June 10, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$229,147.62 incurred during the period principally from April 19, 2021 to May 14, 2021. Pursuant to the Stay Extension,

Norfolk KERP, Sealing, & Monitor Fee Approval Order dated August 24, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$279,346.75 incurred during the period principally from May 1, 2021 to August 8, 2021. Pursuant to the Stay Extension and Monitor Fee Approval Order dated October 19, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$44,610.14 incurred during the period principally from August 9, 2021 to September 29, 2021.

3. During the period principally from September 30, 2021 to December 31, 2021, Cassels incurred fees and disbursements, including HST, in the amount of \$49,779.90. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this affidavit.

4. Attached as **Exhibit "B"** is a schedule summarizing each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels is \$595.31.

5. Attached as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each individual at Cassels who acted for the Monitor, as the case may be.

6. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

7. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

SWORN BEFORE ME over videoconference on this 27 day of January 2022. The affiant was located in the City of Toronto in the Province of Ontario and the Commissioner was located in the City of Toronto, in the Province of Ontario. This affidavit was commissioned remotely as a result of COVID-19 and the declaration was administered in accordance with O. Reg 431/20.

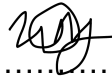


Commissioner for Taking Affidavits
Commissioner: William Onyeaju
LSO#: 81919E



RYAN JACOBS

This is Exhibit "A" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 27, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "A"

**True Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**



Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2152665
Date: November 23, 2021
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including October 31, 2021

Our Fees	19,906.50
HST @ 13.00%	2,587.85
TOTAL DUE (CAD)	22,494.35

We are committed to protecting the environment. Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE:

Email payment details to payments@cassels.com

CAD EFT and Wire Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Invoice No: 2152665
Matter No.: 055118-00001

Amount: **CAD 22,494.35**

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

e-Transfer: payments@cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Oct-01-21	J. Dietrich	Review of email;	0.10
Oct-04-21	K. May	Update call with FTI, BJs and Cassels;	0.50
Oct-04-21	J. Dietrich	Attend update call with BJ and FTI;	0.50
Oct-05-21	K. May	Draft seventh report;	1.50
Oct-06-21	S. Waugh	Begin drafting Fee Affidavits;	0.90
Oct-06-21	K. May	Draft seventh report; Emails with J. Dietrich and S. Waugh re same;	2.20
Oct-07-21	J. Dietrich	Review of email regarding draft material; review of comments on draft affidavit and add additional comments; email regarding draft material;	0.70
Oct-07-21	K. May	Draft Seventh Report of the Monitor; Emails with J. Dietrich re same; Review and comment on company's motion materials;	1.60
Oct-08-21	K. May	Draft Seventh Report of the Monitor; Emails with J. Dietrich and FTI re same; Review and comment on company's motion materials; Emails with FTI re same;	2.40
Oct-08-21	S. Waugh	Continue working on Fee Affidavits;	1.60
Oct-08-21	J. Dietrich	Discussion with J. Rosenberg; discussion with K. May; review of draft report and provide comments on same; review of revised draft report and provide additional comments on same;	2.00
Oct-08-21	R. Jacobs	Review and comment on draft report.	0.80
Oct-11-21	J. Dietrich	Review and exchange of email regarding revised motion material;	0.40
Oct-11-21	R. Jacobs	Review revised draft affidavit from BJS. Correspondence with Cassels team regarding same.	0.70
Oct-11-21	K. May	Review affidavit of M. Devon; emails with FTI. BJs and J. Dietrich re same;	0.50
Oct-12-21	S. Waugh	Continue working on Fee Affidavits;	0.50
Oct-12-21	J. Dietrich	Review of comments on draft report and email regarding same; email exchange regarding APA amendment; further emails regarding draft report and APA amendment;	1.10
Oct-12-21	J. Bornstein	Call with J Dietrich regarding matter status; Email from R Atkinson; Emails from M Shakra, J Rosenberg and J Dietrich regarding Norfolk purchase agreement amendment and extension motion;	0.10
Oct-13-21	W. Onyeaju	Correspondence with K. May; Reviewing Cassels and FTI invoice documents; Preparing fee affidavit for 7th Report of the Monitor;	2.70
Oct-13-21	J. Dietrich	Review of revised report and email exchange regarding status of APA amendment; review of comments on draft report; review of draft fee affidavits;	0.90
Oct-13-21	R. Jacobs	Review fee affidavit. Correspondence with Cassels team regarding transaction close and open issues.	0.60
Oct-14-21	S. Waugh	Compile Fee Affidavit Exhibits;	0.20

Date	Name	Description	Hours
Oct-14-21	R. Jacobs	Review and swear affidavit. Review and comment on latest draft Monitor's report. Review correspondence from BJs.	1.00
Oct-14-21	J. Dietrich	Email exchange regarding affidavit and service issues; review of draft report and discussion regarding comments on same with K. May and J. Porepa; review of revised report and discussion regarding additional comments on same with K. May; review and exchange of email regarding service;	2.10
Oct-14-21	W. Onyeaju	Drafting Affidavit of Service correspondence; Commissioning affidavits for R. Jacobs and J. Rosenberg; Compiling affidavit documents; Sending Seventh Report of the Monitor to Service List;	2.50
Oct-18-21	J. Dietrich	Email exchange regarding court material; discussion with J. Rosenberg regard status; email exchange regarding update call;	0.70
Oct-19-21	J. Dietrich	Review of motion material and email regarding same; prepare for and attend motion; follow up discussion with BJ and FTI regarding status of transaction and outstanding items; further discussion with J. Rosenberg regarding next steps and strategy;	2.10
Oct-20-21	J. Dietrich	Email regarding claim status; review and exchange of email regarding claims process issues;	0.70
Oct-21-21	J. Dietrich	Discussion regarding claims and status; discussion with J. Rosenberg regarding status of Norfolk transaction; discussion regarding various claims and status;	0.80
Oct-22-21	R. Jacobs	Correspondence with Cassels team regarding CCAA issues and action items.	0.50
Oct-25-21	W. Onyeaju	Telephone call with A. Nelms of Bennett Jones LLP;	0.20
Oct-27-21	J. Dietrich	Discussion with J. Rosenberg regarding status and email to Health Canada;	0.30
Oct-28-21	J. Dietrich	Draft email to Health Canada;	0.20

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	12.60	785.00	9,891.00
Jacobs, Ryan	Partner	3.60	1,100.00	3,960.00
May, Kieran	Associate	8.70	380.00	3,306.00
Onyeaju, William	Associate	5.40	380.00	2,052.00
Bornstein, Jeremy	Associate	0.10	575.00	57.50
Waugh, Stephanie	Legal Assistant	3.20	200.00	640.00
Total (CAD)		33.60		19,906.50

Our Fees	19,906.50	
HST @ 13.00%	2,587.85	
TOTAL FEES & TAXES (CAD)		22,494.35
<hr/>		
TOTAL FEES		19,906.50
TOTAL TAXES		2,587.85
TOTAL FEES & TAXES (CAD)		22,494.35



Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2154353
Date: December 10, 2021
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including November 30, 2021

Our Fees	3,061.50
HST @ 13.00%	398.00
TOTAL DUE (CAD)	3,459.50

We are committed to protecting the environment. Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2154353
Matter No.: 055118-00001
Amount: **CAD 3,459.50**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Nov-10-21	J. Dietrich	Discussion regarding status with J. Rosenberg; review of email from J. Porepa;	0.60
Nov-11-21	J. Dietrich	Discussion with J. Porepa regarding outstanding issues; dscussion with BJ, FTI and FIGR regarding outstanding issues;	1.10
Nov-12-21	J. Dietrich	Email exchange regarding landlord claim;	0.20
Nov-15-21	J. Dietrich	Review of correspondence regarding CIG issues; review of draft email regarding Phase 2 and comment on same; review of additional email from M. Shakra;	1.20
Nov-19-21	J. Dietrich	Discussion regarding status with J. Rosenberg;	0.40
Nov-23-21	J. Dietrich	Review of email;	0.20
Nov-30-21	J. Dietrich	Review of email regarding status;	0.20

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	3.90	785.00	3,061.50
Total (CAD)		3.90		3,061.50

Our Fees	3,061.50	
HST @ 13.00%	398.00	
TOTAL FEES & TAXES (CAD)		3,459.50

TOTAL FEES	3,061.50
TOTAL TAXES	398.00
TOTAL FEES & TAXES (CAD)	3,459.50



Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2158535
Date: December 31, 2021
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including December 31, 2021

Our Fees	21,085.00
HST @ 13.00%	2,741.05
TOTAL DUE (CAD)	23,826.05

We are committed to protecting the environment. Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2158535
Matter No.: 055118-00001
Amount: **CAD 23,826.05**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Dec-01-21	J. Bornstein	Emails from and to J Dietrich regarding letter to Beroxfood; Analyze and comment on letter and analyze asset purchase agreement re same;	1.00
Dec-01-21	J. Dietrich	Review of draft correspondence and email exchange with J. Bornstein regarding same; discussion with J. Rosenberg;	0.70
Dec-02-21	J. Bornstein	Call with FTI and Bennett Jones team regarding FIGR Norfolk closing strategy; Emails from and to Cassels, FTI and Bennett Jones teams re same; Analyze letter to counsel for purchaser regarding same;	0.70
Dec-02-21	J. Dietrich	Revisions to draft letter and discussion with J. Rosenberg; Email regarding Norfolk status; Review of email; Discussion with FTI and BJ regarding status and strategy; Review of revised letter from M. Shakra;	2.20
Dec-03-21	J. Bornstein	Emails from and to J Dietrich regarding letter to Norfolk purchaser; Analyze Norfolk purchase agreement termination provisions; Email to J Dietrich re same;	0.50
Dec-03-21	J. Dietrich	Review and comment on draft correspondence; discussion with J. Rosenberg; exchange of email;	0.40
Dec-06-21	J. Dietrich	Review of email and respond to same; discussion with J. Rosenberg regarding status;	0.50
Dec-10-21	J. Dietrich	Discussion regarding status and Norfolk issues with J. Rosenberg;	0.50
Dec-11-21	J. Dietrich	Discussion with FTI and BJ regarding status and strategy;	0.50
Dec-13-21	J. Bornstein	Emails from and to Cassels team regarding fourth amendment to share purchase agreement; Analyze and revise amendment re same; Emails from Cassels, FTI and Bennett Jones teams re same;	1.10
Dec-13-21	J. Dietrich	Review of draft APA amendment and provide comments; exchange of email regarding comments on draft APA;	0.70
Dec-14-21	J. Dietrich	Review of revised APA amendment and email regarding same; discussion with J. Rosenberg; discussion with BJ and FTI; follow up discussion with J. Bornstein;	1.30
Dec-14-21	J. Bornstein	Analyze email from counsel for purchaser and multiple drafts of comments on the fourth amending agreement; Emails from and to J Dietrich re same; Emails from Monitor and Bennett Jones team re same;	1.00
Dec-15-21	J. Dietrich	Review of email regarding APA amendment and respond to same; discussion with J. Rosenberg and J. Bornstein regarding APA amendment; discussion regarding status;	1.10
Dec-15-21	J. Bornstein	Analyze revised asset purchase agreement amending agreement; Call with J Rosenberg and J Dietrich re same and revise same; Emails to and from Bennett Jones team re same; Review detailed email from M Shakra to counsel for purchaser;	0.50
Dec-16-21	J. Dietrich	Participate in employee discussion; discussion regarding status;	0.50

Date	Name	Description	Hours
Dec-17-21	J. Bornstein	Analyze purchaser's revised amendment to purchase agreement; Emails from and to Cassels team re same;	0.20
Dec-17-21	J. Dietrich	Email exchange regarding amendment agreement;	0.30
Dec-18-21	J. Dietrich	Review of email regarding settlement and exchange of email with J. Rosenberg regarding same;	0.20
Dec-19-21	J. Dietrich	Exchange of email with BJ regarding settlement;	0.10
Dec-20-21	J. Dietrich	Review of claim information; review of status information; participate in discussion regarding landlord claim and status; exchange of email regarding status;	1.00
Dec-20-21	J. Bornstein	Call with FTI and Bennett Jones team regarding Epic claim and Norfolk transaction; Emails from J Dietrich re Epic claim; Emails from Bennet Jones team and counsel for Norfolk purchaser regarding finalizing employment and work items for purchase agreement amendment;	0.50
Dec-21-21	J. Bornstein	Call with Bennett Jones, FTI, Chaitons and Cassels team re Epic claim; Call with Cassels and FTI team re drafting monitors report to exit CCAA proceedings; Emails from from Bennett Jones team and Norfolk purchaser re employment and purchase agreement amendment issues;	1.20
Dec-21-21	W. Onyeaju	Call with J. Bornstein; conducting research on legislative and regulatory changes to WEPP.	0.60
Dec-21-21	J. Dietrich	Discussion regarding landlord claim; discussion regarding upcoming motion; discussion regarding status;	1.10
Dec-22-21	J. Dietrich	Discussion regarding status; discussion with J. Roy regarding status;	0.60
Dec-22-21	W. Onyeaju	Conducting research on recent amendment to the WEPP Act; Drafting findings for J. Bornstein; Call with K. Davis; reviewing claim statement letters for J. Dietrich.	5.90
Dec-22-21	J. Bornstein	Analyze materials regarding draft Monitor's report;	0.20
Dec-23-21	J. Bornstein	Emails to and from and call with W Onyeaju regarding employment claims letters; Emails from and counsel for Norfolk Purchaser and Bennett Jones team regarding purchase agreement amendment; Analyze proposed purchase agreement amendments;	0.20
Dec-23-21	J. Dietrich	Review of email regarding employee claim letters; discussion with J. Rosenberg regarding status; review of amended APA amendment;	0.70
Dec-23-21	W. Onyeaju	Drafting research summary on WEPP amendments for J. Bornstein;	1.80
Dec-24-21	J. Bornstein	Analyze email analysis from W Onyeaju regarding WEPPA; Email to and from W Onyeaju re same;	0.10
Dec-24-21	W. Onyeaju	Conducting research on WEPP amendments for J. Bornstein;	1.10
Dec-24-21	J. Dietrich	Review and exchange of emails regarding status and amendment;	0.70
Dec-27-21	J. Dietrich	Review and exchange of email regarding amendment;	0.30
Dec-29-21	J. Bornstein	Call with W Onyeaju regarding WEPPA research;	0.10

Date	Name	Description	Hours
Dec-29-21	W. Onyeaju	Conducting research on WEPP for J. Bornstein.	3.40
Dec-30-21	W. Onyeaju	Conducting research on WEPP for J. Bornstein.	2.10
Dec-30-21	J. Dietrich	Email exchange with J. Rosenberg and discussions with same regarding amendment;	0.50
Dec-31-21	J. Dietrich	Discussion with J. Rosenberg; review of email regarding Norfolk status;	0.40

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	14.30	785.00	11,225.50
Bornstein, Jeremy	Associate	7.30	575.00	4,197.50
Onyeaju, William	Associate	14.90	380.00	5,662.00
Total (CAD)		36.50		21,085.00

Our Fees 21,085.00
 HST @ 13.00% 2,741.05

TOTAL FEES & TAXES (CAD) 23,826.05

TOTAL FEES 21,085.00
TOTAL TAXES 2,741.05
TOTAL FEES & TAXES (CAD) 23,826.05

This is Exhibit "B" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 27, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period principally from September 30, 2021 to December 31, 2021**

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2152665 (October 1, 2021 to October 31, 2021)	19,906.50	nil	2,587.85	22,494.35	33.60	592.45
2154353 (November 1, 2021 to November 30, 2021)	3,061.50	nil	398.00	3,459.50	3.90	785.00
2158535 (December 1, 2021 to December 31, 2021)	21,085.00	nil	2,741.05	23,826.05	36.50	577.67
Total	44,053.00	nil	5,726.90	49,779.90	74	595.31

This is Exhibit "C" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 27, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....
A Commissioner for Taking Affidavits

Commissioner: William Onyeaju
LSO#: 81919E

EXHIBIT "C"

Billing Rates of Cassels Brock & Blackwell LLP

For the period principally from September 30, 2021 to December 31, 2021

Year of Call	Lawyer	Rate (\$)	Fees Billed (\$)	Hours Worked
2004	Jane Dietrich	785.00	24,178	30.8
2004 (New York) 2011 (Ontario)	Ryan Jacobs	1,100.00	3,960	3.6
2020	Kieran May	380.00	3,306	8.7
Legal Assistant	Stephanie Waugh	200.00	640	3.2
2014	Jeremy Bornstein	575.00	4,255	7.4
2021	William Onyeaju	380.00	7,714	20.3

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR BRANDS, INC., FIGR NORFOLK INC.
AND 1307849 B.C. LTD.**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at TORONTO

**FEE AFFIDAVIT OF RYAN JACOBS
SWORN January 27, 2022**

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Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor

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EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA
INC.,
IN ITS CAPACITY AS MONITOR

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