

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 HUMBLE & FUME INC. (ONTARIO), HUMBLE &
FUME INC. (MANITOBA), FUME LABS INC., HUMBLE CANNABIS
SOLUTIONS INC., PWF HOLDCO INC., WINDSHIP TRADING LLC and
15834732 CANADA INC.**

(the “**Applicants**”)

THIRD REPORT OF THE MONITOR

DATED APRIL 18, 2024

INTRODUCTION AND BACKGROUND

1. On January 5, 2024, Humble & Fume Inc. (Ontario) (“**Humble Parent**”), Humble & Fume Inc. (Manitoba) (“**Humble Manitoba**”), B.O.B. Headquarters Inc. (“**BOB**”), Fume Labs Inc., Humble Cannabis Solutions Inc. (“**HCS**”), PWF Holdco Inc., and Windship Trading LLC (collectively, the “**Applicants**”) commenced these proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. The Applicants’ main business activities include the marketing and distribution of cannabis on behalf of licensed producers and the sale of related cannabis accessories (e.g. rolling papers, glass pipes, vaporizers, etc.). Humble Parent also owns approximately 22.5% of a non-applicant that is the indirect owner of Cabo Connection (“**Cabo**”), a

California-based cannabis producer. Neither Cabo nor the U.S.-based entities that control it are applicants in these CCAA Proceedings.

3. On January 5, 2024, the Applicants sought and obtained an initial order (the “**Initial Order**”) for, among other things, the following relief:
 - a. granting a stay of proceedings until January 15, 2024 (as may be extended, the “**Stay Period**”);
 - b. approving a charge in the amount of \$150,000 (the “**Administration Charge**”) for the benefit of counsel to the Applicants, the Monitor and the Monitor’s counsel (together, the “**Professionals Group**”);
 - c. declaring that the Applicants should incur no further costs related to securities filings with the Ontario Securities Commission (the “**OSC**”) given the cease trade order issued to Humble Parent on December 6, 2023 (the “**Cease Trade Order**”); and
 - d. appointing Deloitte Restructuring Inc. as monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”).
4. A description of the events leading up to these CCAA Proceedings is included in the affidavit of Jakob Ripshtein sworn on January 4, 2024 (the “**First Ripshtein Affidavit**”).
5. On January 12, 2024, the Applicants sought and obtained an order extending the stay of proceedings until January 26, 2024. Jakob Ripshtein swore an affidavit on January 11, 2024 in support of the stay extension order (the “**Second Ripshtein Affidavit**”).
6. On January 12, 2024, the Justice Cavanagh scheduled a comeback hearing for January 22, 2024 to hear the Applicants’ motion for further relief. The hearing was postponed to

January 24, 2024 and was ultimately heard on that day. As a result, the Court issued an Order:

- a. extending the Stay Period to April 5, 2024;
 - b. approving an increase in the Administration Charge to \$500,000;
 - c. approving a debtor-in-possession credit facility in the amount of USD\$2.5 million (the “**DIP Loan**”);
 - d. approving a plan for the retention of certain of the Applicants’ key employees (the “**KERP**”) including sealing certain sensitive portions thereof;
 - e. approving a process to solicit the sale of, or an investment in, the Applicants’ business (the “**SISP**”); and
 - f. approving the Applicants’ execution of a share purchase agreement (the “**Stalking Horse Bid**”) between themselves and 1000760498 Ontario Inc. (the “**Stalking Horse Bidder**”).
7. As further detailed in its second report dated March 6, 2024 (the “**Second Report**”), the Monitor administered the SISP and reported its outcome to the Court. The Second Report provided, among other details, the following information and is attached as Appendix “A” hereto (without the confidential appendix that was provided to the Court):
- a. There were two bids received for BOB pursuant to the SISP. There were no bids received in respect of Cabo. The absence of bids for Cabo was disclosed to the Court in a confidential appendix of the Second Report;
 - b. The value of the bids received by the Monitor in the SISP were not superior to the Stalking Horse Bid;

- c. The Stalking Horse Bidder advised the Monitor that it wished to close the transaction contemplated by the Stalking Horse Bid (the “**Stalking Horse Transaction**”);
 - d. Given restrictions of the Cease Trade Order, the Stalking Horse Bidder wished to amend the closing of the Stalking Horse Transaction such that the transaction in respect of the shares of BOB would be closed (the “**BOB Transaction**”) prior to the shares of the remaining Applicants (the “**Parent Transaction**”);
 - e. The closing of the Parent Transaction is dependent on certain consents/approvals from the OSC given the Cease Trade Order;
 - f. Each of the BOB Transaction and the Parent Transaction would proceed pursuant to the issuance of a reverse vesting order and be consummated as soon as possible;
 - g. The closing of each of the BOB Transaction and the Parent Transaction would be effective upon the Monitor filing a certificate (the “**BOB Transaction Certificate**” and the “**Parent Transaction Certificate**”, respectively). Pursuant to the terms of the Stalking Horse Bid, the Monitor was to issue each of the certificates when advised by the parties that the conditions to closing were either satisfied or waived; and
 - h. The Monitor’s views on the Stalking Horse Transaction, including the revised two-stage closing for the BOB Transaction and the Parent Transaction, and its recommendations related thereto.
8. The Applicants sought Court approval of the two-stage Stalking Horse Transaction at a

hearing on March 7, 2024 (the “**Sale Approval Hearing**”). Immediately after the Sale Approval Hearing the Court issued Orders approving of each of the BOB Transaction and the Parent Transaction (the “**BOB Vesting Order**” and the “**Parent Vesting Order**” respectively).

9. On March 8, 2024, the Monitor was advised by the parties to the BOB Transaction that the conditions related thereto were satisfied and that each of them was prepared to close. Accordingly, the Monitor issued the BOB Closing Certificate affecting the closing of the BOB Transaction on that date. As a result of the Monitor issuing the BOB Closing Certificate, BOB ceased to be an Applicant in these CCAA Proceedings, and the majority of its liabilities were vested in 15834732 Canada Inc., a newly incorporated entity that would hold the liabilities that were not assumed by the Stalking Horse Bidder (“**ResidualCo**”). ResidualCo has been added as an Applicant to these CCAA Proceedings.
10. The Parent Transaction is not yet closed as the required consents have not been obtained from the OSC.
11. Unless otherwise noted, all dollar amounts in this third report of the Monitor (the “**Third Report**”) are in Canadian funds.

PURPOSE

12. The purpose of this Third Report is to advise the Court of concerns expressed by Mr. Mark Hubler (“**Mr. Hubler**”), a former director of Humble Parent, in respect of the administration of the SISP and to provide the Court with additional information in respect of the administration of the SISP that the Monitor has been able to obtain since March 30,

2024. Mr. Hubler expressed his concerns in a letter to the Monitor delivered on March 30, 2024 (the “**Hubler Letter**”). Mr. Hubler is the President and Chief Executive Officer of Johnson Brothers, who the Monitor understands is the beneficial owner of the majority of Cabo through a complex organizational structure that involves certain non-applicant affiliates of Humble Parent. The majority interest in Cabo has been undertaken through Johnson Brothers’ investment in J3 Investments LLC (“**J3**”) in the Cabo structure. Counsel to J3 has been on the service list of these CCAA Proceedings since shortly after the Filing Date.

13. As a result of the receipt of the Hubler Letter, the Monitor has sought to obtain additional details that were unknown to it prior to the closing of the BOB Transaction. Relevant details are summarized in this Third Report.

TERMS OF REFERENCE

14. The Monitor has prepared this Third Report to provide the Court with background information relevant to the closing of the BOB Transaction and events immediately thereafter.
15. A principal of the Stalking Horse Bidder is Mr. Shawn Dym (“**Mr. Dym**”). Mr. Dym fulfilled a number of roles related to the Applicants. These include acting as a principal of the Stalking Horse Bidder and one of Humble Parent’s secured lenders with such lenders’ debt being assumed as part of the Stalking Horse Transaction. Mr. Dym is also the principal of the entity that committed to provide the DIP Loan, which has not been drawn in these CCAA Proceedings.
16. Mr. Dym was also, as set out in the affidavit of Jakob Riptshein dated March 4, 2024 (the “**Fifth Ripshtein Affidavit**”), a director of Humble Parent until his resignation on

February 16, 2024. Mr. Dym has advised the Monitor that he ceased acting as a director on February 14, 2024 but that his resignation was not memorialized until two days later. Mr. Dym also advised the Monitor on April 7, 2024 that he is again a director of Humble Parent. The Monitor has been advised that Mr. Dym was reinserted as a member of the board following the resignation of the remaining directors as there was no one else willing to act in that capacity. Mr. Dym agreed to do so on the basis that there were no business decisions to be made as the remaining Applicants are not active businesses, the Parent Transaction had been approved by the Court and that he would ultimately be a member of the board of directors once the Parent Transaction closed.

17. Mr. Dym is also the principal of Green Acre Distribution Corp. (Canada) (“**Green Acre**”), the company that holds approximately 77.5% of the beneficial equity of Cabo via intermediary corporations. The Monitor understands that Green Acre acts as bare trustee for J3 in respect of its beneficial ownership of Cabo.

EVENTS SUBSEQUENT TO THE CLOSING OF THE BOB TRANSACTION

18. As detailed above, the BOB Transaction Closed on March 8, 2024, the day after the Sale Approval Hearing.
19. On March 18, 2024, the Monitor was advised by counsel to J3 and Mr. Hubler that the Stalking Horse Bidder had, shortly after the closing of the BOB Transaction, sold the purchased shares to a third party (the “**End Purchaser**”) outside of the SISP. The Stalking Horse Bidder advised the Monitor of the sale of the BOB shares to the End Purchaser on March 11, 2024 and the Monitor began its consideration of next steps and necessary inquiries at that time.
20. The End Purchaser was a participant in the SISP and had signed a non-disclosure

agreement as required to participate therein (the “**End Purchaser NDA**”). The End Purchaser NDA was signed on January 29, 2024 and prohibited contact with directors and employees of the Applicants. The End Purchaser NDA further provided that information provided in the Applicants’ electronic data room could only be used for the purpose of evaluating a potential bid within the SISP. A copy of the form of NDA that was signed by the End Purchaser is attached as Appendix “**B**”.

21. The Monitor received the Hubler Letter on March 30, 2024. The Hubler Letter is summarized as follows:
 - a. Mr. Hubler sent the Hubler Letter in his capacity as former board member of Humble Parent;
 - b. The purpose of the Hubler Letter was to express Mr. Hubler’s concern regarding actions that may have been taken by Mr. Dym, acting directly or indirectly through related or affiliated persons, including the Stalking Horse Bidder, in connection with purchase and subsequent sale by the Stalking Horse Bidder of the shares of BOB to the End Purchaser;
 - c. Mr. Hubler raised further concerns that Mr. Dym, or entities controlled by him, may have obtained a material financial benefit at the expense of certain of the Applicants in violation of the principles of the SISP, the CCAA and corporate law, including Mr. Dym’s fiduciary duties to the Applicants in his capacity as a director;
 - d. Mr. Hubler requested that the Monitor undertake certain investigations prior to issuing the Parent Closing Certificate and also file a report with the Court summarizing any findings. Among other things, Mr. Hubler was concerned that:

- i. Mr. Dym may have been negotiating with the End Purchaser prior to resigning as a director of Humble Parent;
 - ii. The outcome of the SISP could have been materially different if the full details of the sale to the End Purchaser were known to the Monitor and had been disclosed; and
- e. The Hubler Letter provided the rationale for Mr. Hubler's concerns.

Results of the Monitor's Inquiries

22. After receiving the Hubler Letter, the Monitor made inquiries related to the subsequent sale of the shares of BOB. This included the following activities:
- a. Clarifying Mr. Hubler's concerns with both he and his counsel on numerous calls;
 - b. Discussing the concerns raised in the Hubler Letter with counsel to the Applicants;
 - c. Engaging in discussions with, and making written enquiries of, the Stalking Horse Bidder and its counsel. Counsel to the Stalking Horse Bidder provided disclosures to the Monitor based on a number of questions posed to Mr. Dym; and
 - d. Engaging in discussions with counsel to the End Purchaser.
23. The outcome of such inquiries, and other relevant factors, are summarized below:
- a. In addition to the transaction with the End Purchaser, Mr. Dym discussed options to monetize his investment in the Applicants via the sale of the senior secured debt facilities with at least one other party. Such a transaction did not proceed.
 - b. Mr. Dym expressed his preference for the secured debt facilities to be repaid rather than for one of his entities to become the owner of the shares of Humble Parent (and indirectly BOB and other subsidiaries) pursuant to the Stalking Horse

Transaction to the Monitor and others on more than one occasion prior to the bid deadline in the SISP;

- c. Mr. Dym did not execute a non-disclosure agreement pursuant to the SISP as the Stalking Horse Bid was already a “Qualified Bid” as defined thereunder;
- d. The Monitor has been advised that the End Purchaser initially expressed an interest in acquiring BOB to another former board member of Humble Parent, Bob Ritchot (“**Mr. Ritchot**”). As detailed in the Fifth Ripshtein Affidavit, Mr. Ritchot also resigned as a board member on February 16, 2024. The Monitor has further been advised that the involvement of Mr. Ritchot was a determining factor for the End Purchaser to acquire BOB outside of the SISP, notwithstanding the execution of the End Purchaser NDA. The reason for this reported requirement and the failure of the End Purchaser to submit a bid in the SISP is not known to the Monitor;
- e. As of the date of his formal resignation on February 16, 2024, Mr. Dym advised the Monitor that he had not consummated any transaction in respect of BOB;
- f. Mr. Dym has advised he was not aware that the End Purchaser had signed the End Purchaser NDA until February 20, 2024, after the date of his formal resignation from the board of Humble Parent. Mr. Dym did not advise the Monitor that he was in negotiations with the End Purchaser prior to the closing of the Bob Transaction nor did he (or any other director) advise the Monitor of his resignation at the time. The Monitor only became aware of Mr. Dym’s resignation as a board member when reviewing the Applicants’ court materials for the Sale Approval Hearing;

- g. Mr. Dym and Mr. Hubler are currently in negotiations regarding the potential sale of the shares of Cabo. Mr Dym advised the Monitor that the negotiations for the sale of his indirect interest in Cabo were initiated by J3/Mr. Hubler;
- h. Despite reportedly advising others that it did not wish to submit a bid in the SISP, the End Purchaser did not advise the Monitor that it would not be doing so. According to records from the Applicants' electronic data room provider, representatives of the End Purchaser were active in the data room until approximately one hour before the bid deadline in the SISP. The Monitor is not aware of the reasons why the End Purchaser chose to consummate a transaction with the Stalking Horse Bidder rather than participating in the SISP by submitting a bid nor why the End Purchaser did not notify the Monitor of its intentions not to submit a bid;
- i. The purchase price paid by the End Purchaser to Mr. Dym would not have been sufficient to fully repay the secured debt assumed by the Stalking Horse Bidder (which the Monitor has been advised, including accrued interest and fees, totalled approximately USD\$4.2 million prior to the application of the proceeds of the sale related to the BOB shares). If the End Purchaser had submitted a bid at the price it acquired the shares of BOB outside of the SISP, that purchase price would have been the highest initial bid in the SISP for the shares of BOB from a purely financial perspective. However, given that no formal offer was submitted by the End Purchaser as part of the SISP, the Monitor is not able to assess whether it would have been the prevailing bid within the process given other potential factors;

- j. In addition to the purchase agreement for the shares of BOB, the End Purchaser and the Stalking Horse Bidder executed an option agreement that was conditional upon the Stalking Horse Bidder being the successful bidder in the SISP (the “**BOB Option Agreement**”). The BOB Option Agreement references the SISP in the preamble thereto and is dated February 21, 2024, two days before the SISP bid deadline. As detailed above, the End Purchaser continued to access the Applicants’ electronic data room after the execution of the BOB Option Agreement; and
 - k. The End Purchaser acquired the shares of BOB from the Stalking Horse Bidder on March 8, 2024, the same day as and following the closing of the BOB Transaction.
24. Once obtained by the Monitor, the information above was shared with counsel to Mr. Hubler/J3.
25. The Monitor notes that the parties of whom it has made inquiries have been responsive in addressing the Monitor’s concerns and questions and have provided the necessary supporting documentation when asked.
26. As noted above, had the proceeds of the sale of the BOB shares to the End Purchaser been received as part of the SISP, the same proceeds would have been paid to the Stalking Horse Bidder as a partial repayment of the Applicants’ secured debt facilities. The Monitor is of the view that it is likely that the economics are unchanged from those that could have been achieved in the SISP. However, the Monitor cannot directly assess this given no bid was received from the End Purchaser as part of the SISP.

CURRENT STATUS

27. The Monitor understands that the Stalking Horse Bidder is ready to close the Parent Transaction as soon as the restrictions levied by the OSC are lifted and the OSC approval is the only unsatisfied condition to closing the Parent Transaction. There is no certainty when this will occur, but the Monitor has been advised that such approval could be obtained imminently (i.e. as soon as April 18, 2024).
28. Despite initially advising the Monitor that Mr. Hubler wished to schedule a case conference with the Court, the Monitor has been advised by Mr. Hubler's counsel that Mr. Hubler is satisfied that by bringing his concerns to the Monitor's attention which resulted in the investigation that the Monitor completed, his continuing duty as a former director has been fulfilled with respect to the issues raised and will not be doing so. They further advised that they would leave such scheduling to the Monitor if the Monitor deems it appropriate. Based on the Monitor's inquiries and the outcome of same as reflected in paragraph 26 above, the Monitor will not be requesting such a case conference with the Court unless directed to do so by the Court.

All of which is respectfully submitted this 18th day of April, 2024.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as Court-appointed Monitor of
Humble & Fume Inc. et al, and not in its personal
Capacity

Per:



Todd Ambachtsheer, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix "A"
Second Report of the Monitor dated March 6, 2024

**ONTARIO
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INC., HUMBLE CANNABIS SOLUTIONS INC., PWF HOLDCO INC., and
WINDSHIP TRADING LLC**

(the “**Applicants**”)

SECOND REPORT OF THE MONITOR

DATED MARCH 6, 2024

INTRODUCTION

1. On January 5, 2024, Humble & Fume Inc. (Ontario) (“**Humble Parent**”), Humble & Fume Inc. (Manitoba) (“**Humble Manitoba**”), B.O.B. Headquarters Inc. (“**BOB**”), Fume Labs Inc., Humble Cannabis Solutions Inc. (“**HCS**”), PWF Holdco Inc., and Windship Trading LLC (collectively, the “**Applicants**”) commenced these proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. The Applicants’ main business activities include the marketing and distribution of cannabis on behalf of licensed producers and the sale of related cannabis accessories (e.g. rolling papers, glass pipes, vaporizers, etc.). Humble Parent also owns approximately 22% of a non-applicant that is the indirect owner of Cabo Connection (“**Cabo**”), a

California-based cannabis producer. Neither Cabo nor the U.S.-based entities that control it are applicants in these CCAA Proceedings.

3. On January 5, 2024, the Applicants sought and obtained an initial order (the “**Initial Order**”) for, among other things, the following relief:
 - a. granting a stay of proceedings until January 15, 2024 (as may be extended, the “**Stay Period**”);
 - b. approving a charge in the amount of \$150,000 (the “**Administration Charge**”) for the benefit of counsel to the Applicants, the Monitor and the Monitor’s counsel (together, the “**Professionals Group**”);
 - c. declaring that the Applicants should incur no further costs related to securities filings with the Ontario Securities Commissions (the “**OSC**”) given the cease trade order issued to Humble Parent on December 6, 2023 (the “**Cease Trade Order**”); and
 - d. appointing Deloitte Restructuring Inc. as monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”).
4. A description of the events leading up to these CCAA Proceedings is included in the affidavit of Jakob Ripshtein sworn on January 4, 2024 (the “**First Ripshtein Affidavit**”).
5. On January 12, 2024, the Applicants sought and obtained an order extending the stay of proceedings until January 26, 2024. Jakob Ripshtein swore an affidavit on January 11, 2024 in support of the stay extension order (the “**Second Ripshtein Affidavit**”).
6. On January 12, 2024, the Justice Cavanagh scheduled a comeback hearing for January 22, 2024 to hear the Applicants’ motion for further relief. The hearing was postponed to

January 24, 2024 and was ultimately heard on that day. As a result, the Court issued an Order:

- a. extending the Stay Period to April 5, 2024;
 - b. approving an increase in the Administration Charge to \$500,000;
 - c. approving a debtor-in-possession credit facility in the amount of USD\$2.5 million (the “**DIP Loan**”);
 - d. approving a plan for the retention of certain of the Applicants’ key employees (the “**KERP**”) including sealing certain sensitive portions thereof;
 - e. approving a process to solicit the sale of, or an investment in, the Applicants’ business (the “**SISP**”); and
 - f. approving the Applicants’ execution of a share purchase agreement (the “**Stalking Horse Bid**”) between themselves and 1000760498 Ontario Inc. (the “**Stalking Horse Bidder**”).
7. The Applicants, in their motion materials dated March 4, 2024 (the “**Motion**”), seek:
- a. approval of the Stalking Horse Bid as the Successful Bid pursuant to the SISP (as such term is defined therein) and approving a transaction contemplated by the Stalking Horse Bid (the “**Stalking Horse Transaction**”). As a result of a recent amendment, the Stalking Horse Transaction will be closed in two phases given restrictions on Humble Parent issuing shares as a result of the Cease Trade Order. The sales of the shares of BOB will be consummated prior to the rest of the Applicants. The amended share purchase agreement is attached hereto as Appendix “**A**” with a blackline to the original agreement attached as Appendix

“B”;

- b. issuance of “reverse vesting orders” pursuant to the Stalking Horse Bid (the **“BOB Vesting Order”** and the **“Parent Vesting Order”**), as amended;
 - c. the issuance of an Order terminating these CCAA Proceedings upon the Monitor filing a certificate confirming that the Stalking Horse Transaction has closed and that other ancillary activities have been completed (the **“Termination Certificate”**);
 - d. an Order providing the Monitor with certain enhanced powers to allow it to exercise control over an entity that will be incorporated pursuant to the Stalking Horse Transaction (**“ResidualCo”**), including the ability to assign ResidualCo into bankruptcy and act as licensed insolvency trustee over the estate of same;
 - e. approval of the activities, professional fees and disbursements of the Monitor and its counsel Cozen O’Connor LLP (**“Cozen”**); and
 - f. an Order granting releases for the benefit of the Applicants’ directors and officers, other than those of BOB (the **“Parent D&O”** and the **“BOB D&O”**, respectively), the Applicants’ counsel, the Monitor and the Monitor’s counsel (together, the **“Releases”** and the **“Released Parties”**).
8. The background related to the requested relief is included in the affidavit of Jakob Ripshtein sworn March 4, 2024 (the **“Fifth Ripshtein Affidavit”**).
9. Unless otherwise noted, all dollar amounts in this second report of the Monitor (the **“Second Report”**) are in Canadian funds.

PURPOSE

10. The purpose of this Second Report is to provide the Court with information on:
 - a. the Monitor's activities since the issuance of its first report dated January 23, 2024 (the "**First Report**");
 - b. the Applicants' actual receipts and disbursements from January 15, 2024 through February 23, 2024 (the "**Reporting Period**");
 - c. the Applicants' revised cash flow forecast through March 24, 2024 (the "**Revised Forecast**");
 - d. the outcome of the SISP and the Applicants' request to approve the Stalking Horse Bid as the prevailing offer thereunder, with a view to consummating the Stalking Horse Transaction, in two phases, as soon as possible;
 - e. the Monitor's views on the BOB Vesting Order and the Parent Vesting Order to be issued as part of the Stalking Horse Transaction;
 - f. the Applicants' request to grant the Monitor enhanced powers to allow it to deal with ResidualCo after the closing of the Stalking Horse Transaction;
 - g. the Applicants request to approve the activities, fees and disbursements of the Monitor and its counsel, Cozen; and
 - h. the Applicants' request to terminate these CCAA Proceedings and discharge the Monitor once the Stalking Horse Transaction closes, which will be subject to the Monitor filing the Termination Certificate. Such termination also contemplates the Court granting the Releases to the Released Parties.

TERMS OF REFERENCE

11. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited financial information, books, records and financial information prepared by the Applicants, discussions with and information from the Applicants' management ("**Management**") and other third-party sources (collectively, the "**Information**"). Except as described in this Second Report:
- a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *CPA Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor express no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b. some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed.
12. Future oriented financial information referred to in this Second Report was prepared based on the Applicants' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize and the variations could be significant.

MONITOR'S ACTIVITIES SINCE THE DATE OF THE FIRST REPORT

13. Since it issued its First Report, the Monitor has undertaken the following activities:
 - a. monitored the Applicants' receipts and disbursements;
 - b. engaged with certain stakeholders of the Applicants to discuss their views related to the SISP;
 - c. administered the SISP according to its terms, including holding discussions with Management and certain participants in the SISP;
 - d. sent the required forms pursuant to the *Wage Earners Protection Plan Act* ("WEPPA") to certain former employees of HCS and also registered same with Service Canada as required by WEPPA;
 - e. updated its case website where information relevant to the CCAA Proceedings can be found. The address of the website is www.insolvencies.deloitte.ca/en-ca/humble (the "**Monitor's Website**");
 - f. Monitored an email inbox (humble@deloitte.ca) and telephone hotlines (416-607-1400 and 1-833-485-1340) for interested parties to make inquiries of the Monitor;
 - g. Attended Court hearings on January 24, 2024 and February 5, 2024;
 - h. Prepared this Second Report.

THE APPLICANTS' ACTUAL RECEIPTS AND DISBURSEMENTS DURING THE REPORTING PERIOD

14. The following table summarizes the Applicants' receipts and disbursements for the Reporting Period, along with variances compared to the cash flow forecast included in

the First Report (the “Forecast”):

| Humble & Fume Inc. and certain of its subsidiaries | | | |
|---|-----------------|----------------|-----------------|
| Statement of Receipts and Disbursements | | | |
| For the Period January 15, 2024, to February 23, 2024 | | | |
| Amounts presented in CAD 000s | Forecast | Actuals | Variance |
| Opening balance | 1,450 | 1,450 | - |
| Receipts | | | |
| Collection from sales and accounts receivable | 1,584 | 1,825 | 241 |
| Sale of Assets | 117 | - | (117) |
| DIP drawdown | 166 | - | (166) |
| Total Receipts | 1,867 | 1,825 | (42) |
| Disbursements | | | |
| Trade payables, cost of goods sold, operating costs and overheads | (1,795) | (1,449) | 346 |
| Intercompany funding | (166) | - | 166 |
| Payroll and benefits | (542) | (487) | 55 |
| Rent and utilities | (32) | (42) | (10) |
| Professional Fees | (266) | (288) | (22) |
| Total disbursements | (2,801) | (2,266) | 535 |
| Net cash change | (933) | (441) | 492 |
| Ending cash balance | 517 | 1,009 | 492 |

15. The following paragraphs highlight the actual receipts and disbursements, along with the significant variances from the Forecast, for the Reporting Period:
- a. The Applicants collected approximately \$1,825,000 from customers during the Reporting Period. The positive variance of approximately \$241,000 is due to quicker collections of accounts receivable than initially forecast.
 - b. The collection of the funds related to the Sale of Assets line item (\$117,000) occurred just before the Reporting Period but after the Applicants’ Forecast was finalized.
 - c. The Applicants did not fund the projected \$166,000 to Cabo and, as such, this amount was not required to be funded by the DIP Loan. The corresponding intercompany funding did not occur as a result.

- d. Disbursements for the Reporting Period toward trade payables, cost of goods sold, operating costs and overheads totaled to approximately \$1,449,000 compared to an amount of \$1,795,000 in the Forecast. The Applicants have managed their disbursements to conserve liquidity and purchase inventory which will result in faster payment at higher margins.
- e. The Forecast contained an amount of \$542,000 for payroll and benefits, with actual disbursements totalling approximately \$487,000. The positive variance of \$55,000 is related to a delay in funding vacation pay for Windship Trading LLC. The balance of payroll disbursements relate to regular bi-weekly payroll for employees and vacation pay for terminated employees of HCS.
- f. Total disbursements related to rent and utilities totaled to approximately \$42,000. Such payments relate to rent and utilities for the Applicants' various offices and warehouses.
- g. Disbursements toward professional fees totalling approximately \$288,000. This is mainly toward the fees for the activities performed by the Applicant's counsel and the Monitor to support the CCAA proceedings.

APPLICANTS' REVISED FORECAST

- 16. The Applicants have prepared the Revised Forecast, which is attached hereto as Appendix "C".
- 17. As set out therein, the Applicants are forecasting minimal liquidity as at the end of the forecast period, being March 24, 2024. As such, it will be important for the Applicants' to carefully manage their liquidity prior to the closing of the Stalking Horse Transaction.

OUTCOME OF THE SISP

18. The Court approved the SISP, which was attached as an appendix to the First Report, on January 24, 2024. Following the issuance of the order approving the SISP (the “**SISP Approval Order**”) the Monitor:

- a. contacted approximately 90 parties that were identified as being potentially interested in acquiring the Applicants’ assets or business or making an investment therein. Parties contacted included strategic and financial buyers and included entities that were identified by the Monitor, the Applicants, members of the Applicants’ board of directors, parties representing the Applicant’s secured lenders and other interested stakeholders. Each party received a non-disclosure agreement (an “**NDA**”) and a copy of a two-page summary of the opportunity (the “**Teaser**”) from the Monitor;
- b. executed 11 NDAs with potential bidders. Of the 79 parties that did not sign an NDA, 52 did not respond to repeated inquiries while 27 expressed a desire to pass on the opportunity. Upon execution of an NDA each party was granted access to an electronic data room containing due diligence materials;
- c. responded to queries from potential bidders as they were received;
- d. updated the contents of the electronic data room based on bidder requests, where possible;
- e. held conference calls with those bidders that wished to speak to either the Monitor or the Applicants’ management regarding the opportunity; and
- f. received the offers detailed later in this Second Report.

19. Pursuant to the SISP, the deadline to submit a binding bid to the Monitor was 5:00pm (Toronto time) on February 23, 2024 (the “**Bid Deadline**”). The Monitor received two such bids by the Bid Deadline (the “**Bids**”).
20. Shortly after receiving the Bids, the Monitor shared a summary of same with Management. The Bids were also shared with the Stalking Horse Bidder after the Monitor and Management concluded that neither of the Bids was superior to the Stalking Horse Bid and, in any event, were not “**Qualified Bids**” pursuant to the SISP. A copy of the Monitor’s email to the Applicants summarizing the bids received is attached as Confidential Appendix “**1**” to this Second Report. The Applicants are seeking an order sealing this appendix in the event the transaction with the Stalking Horse Bidder does not close. Such sealing is only applicable until such time as the transaction with the Stalking Horse Bidder closes.
21. As noted above, Management concurred with the Monitor’s assessment in respect of whether each of the two Bids received was a Qualified Bid and concluded that neither was superior to the Stalking Horse Bid.
22. Accordingly, and in accordance with the terms of the SISP given that there is no need to hold an Auction thereunder, the Applicants now seek approval of the Stalking Horse Bid with the hearing to approve same being scheduled for March 7, 2024.
23. A summary of the terms of the Stalking Horse Bid for BOB is reproduced from the Fifth Ripshtein Affidavit and is attached as Appendix “**D**” to this Second Report with a summary related to the non-BOB Applicants attached as Appendix “**E**”.
24. The Monitor notes that the Stalking Horse Bid has been amended from the transaction

originally agreed to accommodate a two-stage closing. Other than this change, the current Stalking Horse Bid is substantially similar to that previously disclosed to the Court. The Monitor also notes the following:

- a. the Stalking Horse Transaction will be effected pursuant to two reverse vesting order transactions. The granting of a reverse vesting order is a condition of the Stalking Horse Bid. The liabilities (and any assets that are not retained from any of the Applicants, although the Monitor does not expect any) excluded from the Stalking Horse Transaction will be assumed by ResidualCo;
- b. the sale of BOB will close first with the transaction relating to the remainder of the Applicants to close once the restrictions of the Cease Trade Order are partially lifted or approval is otherwise provided by the OSC;
- c. the purchase price for the transaction will be satisfied via the assumption by the purchaser of all indebtedness owing by the Applicants owing under the DIP Loan, the DGC Debt and the Debenture Debt, plus the value of the Retained Liabilities (as each capitalized term is defined in the Stalking Horse Bid);
- d. the shares will be sold on an “as is, where is” basis and are subject to a re-organization process prior to closing. All other equity interests will be extinguished;
- e. the Purchaser shall pay the Monitor an amount of \$50,000 plus an amount in respect of the “**CCAA Charge Amount**”, being the amount of professional fees outstanding and subject to the Administration Charge at the closing of the BOB transaction;

- f. the closing for BOB is scheduled for March 8, 2024 with the closing for the sale of the other Applicants scheduled to occur as soon as possible following the lifting of restrictions on Humble Parent issuing the required shares. The purchase agreement contains an outside date of April 15, 2024 (the “**Outside Date**”) by which the second phase of closing must occur. If closing does not occur by the Outside Date, either party may terminate the agreement provided the terminating party is not in breach of their obligations to close the Stalking Horse Transaction. The Stalking Horse Bidder may also terminate the agreement if certain conditions have not been met or waived by the Outside Date. One such condition would be the proposed share reorganization, which is subject to OSC consent, not occurring; and
 - g. the closings for each of BOB and the other Applicants are conditional upon the required reverse vesting orders being issued by the Court.
25. As detailed in the Applicants’ motion materials dated January 23, 2024, the consideration related to the Stalking Horse Transaction is the sum of:
- a. approximately \$3.7 million, which is the total secured debt of the Applicants as at the commencement of these CCAA Proceedings (the “**Secured Debt**”);
 - b. fees and expenses associated with the Applicants’ Secured Debt;
 - c. the value of the liabilities to be retained pursuant to the transaction (e.g. those identified on Schedule F of the transaction documents, claims and encumbrances related to the minority shareholding in Cabo, liabilities in priority to the Secured Debt, liabilities related to assumed contracts or any permits assumed as part of the

transaction); and

- d. the “**Closing Payment**” to the Monitor (i.e. the sum of the Priority Payments, the CCAA Charge Amount and the Administrative Wind-down Amount, as each is defined in the share purchase agreement with the Stalking Horse Bidder).

26. The Stalking Horse Bidder shall assume the Secured Debt at closing of the second phase of the transaction.

Monitor’s views on the outcome of the SISP

27. The Monitor recommends that Stalking Horse Transaction be approved by the Court and in reaching that recommendation has considered the following factors, which are set out in subsection 36(3) of the CCAA. Specifically, in deciding whether to recommend that the Court approve the Stalking Horse Transaction, the Monitor considered:

| Factor | Considerations |
|---|--|
| a. Whether the process leading to the proposed sale was reasonable in the circumstances | • The SISP was designed to afford the Monitor an appropriate amount of time to market the Applicants’ business and assets given the liquidity constraints facing them. As set out above, 90 parties were contacted by the Monitor as part of the SISP and, as such, the Monitor is of the view that the Applicants’ business and assets were widely marketed and that this process was reasonable in the circumstances |
| b. Whether the Monitor approved the process leading to the proposed sale or disposition | • The Monitor administered the SISP and recommended the SISP be approved in the First Report |
| c. Whether the Monitor filed with the Court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a | • In the Monitor’s view, it is unlikely that the bankruptcy of the Applicants would yield a better outcome than the closing of the Stalking Horse Transaction. As set out in Confidential Appendix “1”, the Bids received for the Applicants’ assets was less than the consideration contained in the Stalking Horse |

| | |
|---|---|
| bankruptcy | Bid. Such assets would form the basis of realizations in any bankruptcy proceeding. The Monitor reaches the same conclusion in considering a hypothetical liquidation of the Applicants' assets |
| d. The extent to which the creditors were consulted | <ul style="list-style-type: none"> The SISP was approved by the Court and no creditor objected to same. The Monitor also consulted the Stalking Horse Bidder and other stakeholders in designing the SISP |
| e. The effects of the proposed sale on the creditors and other interested parties | <ul style="list-style-type: none"> The SISP did not identify any transaction that would result in a better outcome to stakeholders than the Stalking Horse Transaction |
| f. Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value | <ul style="list-style-type: none"> Based on the overall administration of the SISP and the factors listed above, the Monitor is of the view that the consideration received as part of the Stalking Horse Transaction is reasonable in the circumstances |

28. The Monitor notes that the Stalking Horse Bidder previously had representation on the Applicants' board of directors. The Fifth Ripshtein Affidavit notes that certain of the principals of the Stalking Horse Bidder resigned their positions on the Applicants' boards of directors on February 16, 2024 prior to the conclusion of the SISP.
29. The Applicants and the Monitor made good faith efforts to market the Applicants' business and assets to achieve the highest price therefor. As set out above, the Stalking Horse Bid resulted in the best outcome of the bids received as part of the SISP.

Reverse Vesting Order Considerations

30. As set out above, the Stalking Horse Transaction contemplates two reverse vesting orders, with the split closing only being necessary given the restriction on the trading of Humble Parent shares pursuant to the Cease Trade Order. The issuance of reverse vesting orders are conditions to closing in respect of the Stalking Horse Transaction.

31. There are a number of corporate attributes that make a reverse vesting order attractive in this case. These include:

- a. avoiding change of control issues related to Humble Parent's indirect investment in Cabo, which is a material asset of the Applicants. This issue is further discussed in the Fifth Ripshtein Affidavit. The Monitor notes that Humble Parent's minority shareholding in Cabo is structured through a foreign entity domiciled in Delaware in the United States. It is important for the existing structure to be maintained to avoid any governance issues with Cabo's majority shareholder, who is required to consent to any change in ownership. Proceeding via a reverse vesting order makes this possible;
- b. maintaining significant tax losses that provide material value to the Stalking Horse Bidder. The Fifth Ripshtein Affidavit notes that the Applicants have in excess of \$39 million of tax losses. This provides significant value to the Stalking Horse Bidder and is a significant characteristic supporting the purchase price contemplated by the Stalking Horse Transaction. It is necessary to proceed via a reverse vesting order to enable the tax losses to be utilized;
- c. maintaining Humble Parent's status as a reporting issuer in Canada. This would not be possible if the transaction were to be structured as an asset purchase. Continuing as a reporting issuer provides the Stalking Horse Bidder with increased flexibility and greater value should it desire to re-list the shares of Humble Parent or otherwise issue equity in the public markets. The process to become a reporting issuer takes a significant amount of time and can be expensive, so retaining this status is a key feature of the reverse vesting order

structure; and

- d. preserving certain foreign distribution contracts as set out in the Fifth Ripshtein Affidavit. As set out therein, these contracts require consents to be assigned and there is no certainty that this is possible absent a reverse vesting order transaction or a Court-ordered assignment within these CCAA Proceedings. Given the timing to close the Stalking Horse Transaction, there is not sufficient time to re-negotiate the distribution contract (notwithstanding the Applicants could obtain Court approval to force the transfer of these agreements), which is a key feature of BOB's product offering. Maintaining these contracts are important to the Stalking Horse Bidder and may not be possible if the transaction were structured as an asset acquisition.
32. Given the factors in the preceding paragraph, the Monitor is of the view that the value realized through a reverse vesting order transaction is greater than would be realized on an asset vesting order. The Applicants' tax losses and reporting issuer status are of material value and cannot be preserved through an asset purchase. An asset purchase structure would also create contract assignment and change of control risks that would materially increase the time, cost and complexity of closing. As a result, it is likely that overall consideration would be reduced if the Stalking Horse Transaction were structured as an asset purchase.
33. The Monitor is not aware of any stakeholder that is worse off as a result of the Stalking Horse Transaction proceeding via reverse vesting order when compared to a vesting order that may be issued in respect of a sale of the Applicants' assets.
34. As noted above, there are several intangible assets that are preserved in a reverse vesting

order structure (e.g. preserving tax losses, avoiding change of control issues related to Cabo, maintaining a reporting issuer status).

35. Perhaps most importantly, the Stalking Horse Transaction will preserve going concern value, employee jobs and associated economic activity, including important supply and distribution relationships.
36. Notably, the Stalking Horse Transaction was the only offer received in the SISP for the going concern sale of all of the Applicants' business that were operating at the end of the SISP. The Monitor is not aware of any stakeholder being worse off under the Stalking Horse Transaction.
37. For the reasons set out above, the Monitor is of the view that the Court issuing a reverse vesting order related to the Stalking Horse Transaction is necessary in the circumstances.

Two Stage Closing of the Stalking Horse Transaction

38. As set out in the Fifth Ripshtein Affidavit, the original Stalking Horse Bid was amended and restated by the parties into the Amended and Restated Purchase Agreement. As noted above, a copy of the Amended and Restated Purchase Agreement is attached hereto as Appendix "A". A blackline comparison of the Stalking Horse Bid to the Amended and Restated Purchase Agreement is attached hereto as Appendix "B". As a result of the amending and restating, the closing of the Stalking Horse Transaction will take place in two stages. The first will be the sale of the shares of BOB, with the second phase being the sale of the shares of the remaining Applicants.
39. The Monitor has been advised that the reason for the two-stage closing is that Humble Parent, by virtue of the Cease Trade Order, is not able to issue new shares as required by

the original Stalking Horse Bid. Given that this is the only Applicant with ongoing business activities, the Stalking Horse Bidder has expressed an interest to acquire the shares of BOB in advance of the other Applicants until such time as the OSC consents to the share reorganization contemplated by the original Stalking Horse Bid. Once such consent is secured, the sale of the shares of the remaining Applicants will proceed to consummation. Should the transaction not fully close by the Outside Date the Stalking Horse Bidder will be able to terminate the agreement.

40. As a result of the bifurcation of the closing of the Stalking Horse Transaction, ResidualCo will be incorporated in the first phase (i.e. in connection with the BOB shares) and added as an applicant in these CCAA Proceedings.
41. For the reasons set out above the Monitor recommends that the Court approve the Stalking Horse Transaction.

FEE APPROVALS

42. The Applicants are currently seeking approval of the Monitor's First Report and this Second Report, and the activities described therein. Each of the First Report and this Second Report contain details of the Monitor and its counsel's activities since the commencement of these CCAA Proceedings to the date of this Second Report.
43. The Applicants are also seeking the fee and disbursement approvals of the Monitor and Cozen through March 1, 2024, plus a modest reserve to finalize the Stalking Horse Transaction and potentially act as licensed insolvency trustee related to ResidualCo. The Monitor supports this request and recommends that the Court grant it.
44. The Monitor and Cozen have maintained detailed records of their professional time and

costs from January 5, 2024 through March 1, 2024 (the “**Fee Period**”). The Monitor’s professional time and disbursements for the Fee Period are detailed in the affidavit of Richard Williams dated March 6, 2024 (the “**Williams Affidavit**”). Cozen’s professional fees and disbursements for the Fee Period are detailed in the affidavit of Heidi Esslinger dated March 6, 2024 (the “**Esslinger Affidavit**” and together with the Williams Affidavit, the “**Fee Affidavits**”). Copies of the Fee Affidavits are attached as Appendices “**F**” and “**G**”, respectively.

45. As set out in the Williams Affidavit, the Monitor’s accounts during the Fee Period total \$265,457.50 in fees, plus \$482.83 in disbursements, administration fees of \$18,582.03 and HST of \$36,987.90 for a total of \$321,510.26. The details of the time spent, including a summary of the personnel, hours and hourly rates of the services provided by the Monitor are more particularly described in the Williams Affidavit.
46. As set out in the Esslinger Affidavit, Cozen’s accounts during the Fee Period total \$94,829.50 in fees, plus \$22.20 in disbursements and HST of \$12,330.73 for a total of \$107,182.43. The details of the time spent, including a summary of the personnel, hours and hourly rates of the services provided by Cozen are more particularly described in the Esslinger Affidavit.
47. The Monitor has reviewed Cozen’s accounts and confirmed it authorized the work performed. The Monitor believes that the accounts of it and Cozen are reasonable in the circumstances and respectfully requests that the Court approve the fees and disbursements set out in the Fee Affidavits.

TERMINATION OF THESE CCAA PROCEEDINGS AND OTHER RELATED RELIEF

48. As set out in the Motion, the Applicants are seeking to terminate their CCAA Proceedings after the closing of the Stalking Horse Transaction and adding ResidualCo as an applicant to these CCAA Proceedings. This would result in ResidualCo being the only applicant in these CCAA Proceedings once both phases of the Stalking Horse Transaction are closed.
49. Once the Stalking Horse Transaction Closes, there will be no practical reason to continue the CCAA Proceedings as there will be no distributions to unsecured creditors given the consideration of the Stalking Horse Transaction. The only material steps to conclude will be to close the Stalking Horse Transaction and potentially bankrupt ResidualCo if deemed advisable.
50. The CCAA Proceedings will be terminated upon the Monitor filing the Termination Certificate with the Court and posting it on the Monitor's Website.
51. Given the activities to be completed after the Stalking Horse Transaction closes, the Monitor is the view that this process will result in an efficient conclusion to the CCAA Proceedings and recommends that the Court grant the Applicants' relief in this regard.

Releases

52. The proposed Parent Vesting Order and BOB Vesting Order include releases in favour of the Released Parties, which is defined to include:
 - a. the directors, officers, and employees as of January 5, 2024, legal counsel and advisors of the Applicants (including, for certainty, ResidualCo); and
 - b. the Monitor and its legal counsel.

53. If approved by the Court, the releases related to the BOB D&O will be granted prior to the remainder of the Releases noted above given the two-stage closing of the transactions. The remainder of the Releases will be granted at the closing of the second stage of the Stalking Horse Transaction.
54. The full scope of the release provisions is set out in the proposed Vesting Orders. The Releases explicitly do not release or discharge any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.
55. The Releases are critical to the consummation of the Transaction and the orderly wind-down of these CCAA Proceedings. The Releases are also a condition precedent to the transactions.
56. In the Monitor's view, having considered the facts of the situation, each of the Released Parties have, in some meaningful way, contributed to the transactions. Further, it is the Monitor's understanding, based on the advice of counsel, that it is customary to include such releases in reverse vesting orders.
57. In the Monitor's view, the expertise, knowledge, and the continuing participation of the parties provided significant benefits to the CCAA Proceedings and the outcome of the SISF. The closing of the Stalking Horse Transaction would likely not have been possible without each party's efforts. Additionally:
 - a. releases for the D&O are directly related to their activities as directors and officers of the Applicants and are directly connected to these CCAA Proceedings;
 - b. it is unlikely that the Stalking Horse Transaction could have been negotiated without the benefit of the Parent D&O and the BOB D&O given their involvement

in same; and

- c. the participation of the parties benefiting from the Releases enhanced overall stakeholder recoveries via the consummation of the Stalking Horse Transaction.

- 58. Accordingly, the Monitor is of the view that the proposed Releases are reasonable, proportionate given the contributions of the D&Os to these CCAA Proceedings, and not overly broad in the circumstances.
- 59. The Monitor supports the relief requested by the Applicants. The Monitor is not currently aware of any objections to the Releases being granted.

Enhanced Powers for the Monitor

- 60. As set out in the Fifth Ripshtein Affidavit, the Applicants are seeking the Court's approval to grant the Monitor enhanced powers in order to exercise control over ResidualCo once the Stalking Horse Transaction closes.
- 61. In order to complete the administration of the Applicants' affairs, it may be prudent to assign ResidualCo into bankruptcy for the benefit of its creditors. Absent the Monitor exercising the necessary corporate direction over ResidualCo, it is not clear what person may have the ability to do so as ResidualCo will have no employees.
- 62. Should the Court not grant the Monitor the enhanced powers the Applicants seek, it is not clear to the Monitor what person or entity may exercise the necessary corporate control over ResidualCo.
- 63. As such, the Monitor is supportive of the Applicants' request to grant the Monitor enhanced powers over ResidualCo and recommends that the Court grant the requested relief in this regard.

All of which is respectfully submitted this 6th day of March, 2024.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as Court-appointed Monitor of
Humble & Fume Inc. et al, and not in its personal
Capacity

Per:



Todd Ambachtsheer, CPA, CA, CIRP, LIT
Senior Vice-President

**Confidential Appendix “1”
Bid Summary Provided to the Applicants**

Appendix “A”
Revised Stalking Horse Share Purchase Agreement

AMENDED AND RESTATED PURCHASE AGREEMENT

This Agreement is made as of the 5th day of March, 2024 (the “**Effective Date**”)

BY AND AMONG:

HUMBLE & FUME INC., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as the “**Company**”)

- and -

1000760498 ONTARIO INC., a corporation formed pursuant to the laws of the Province of Ontario, or its assignee or nominee (hereinafter referred to as the “**Purchaser**”)

WHEREAS, pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued January 5, 2024 (as amended on January 12, 2024, and as may be further amended or amended and restated from time to time, the “**Initial Order**”), the Company, Humble & Fume Inc. (“**Humble MB**”), B.O.B. Headquarters Inc. (“**BobHQ**”), Humble Cannabis Solutions Inc. (“**HCS**”), Fume Labs Inc. (“**Fume Labs**”), P.W.F. Holdco Inc. (“**PWF**”) and Windship Trading LLC (“**Windship**” and together with the Company, Humble MB, BobHQ, HCS, Fume Labs and PWF, collectively, the “**Humble Group**”) were granted, among other things, creditor protection under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) and Deloitte Restructuring Inc. was appointed as Monitor of the Humble Group (in such capacity, the “**Monitor**”);

AND WHEREAS, in connection with the proceedings initiated by the Initial Order (the “**CCAA Proceedings**”), on January 24, 2024, the Humble Group sought and obtained approval of the Court of: (a) the SISP (as defined herein); and (b) the Stalking Horse Agreement (as defined herein) for the purpose of serving as a stalking horse bid in the SISP;

AND WHEREAS, pursuant to the terms of the SISP, the Stalking Horse Agreement has been declared the Successful Bid (as defined in the SISP);

AND WHEREAS, the Company and the Purchaser wish to amend and restate the terms of the Stalking Horse Agreement in accordance with the terms and conditions of this Agreement;

AND WHEREAS, the Company has agreed to issue, sell and transfer to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares (as defined herein), subject to and in accordance with the terms and conditions set forth in this Agreement;

AND WHEREAS, Humble MB has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to purchase from the Company, the BOB Shares (as defined herein), subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Administration Charge**” has the meaning set out in the Initial Order.

“**Administrative Wind-down Amount**” means cash in the amount of \$50,000 to be used to satisfy costs incurred by the Monitor and its professional advisors, and the professional advisors of the Humble Group and ResidualCo: (a) to administer ResidualCo and the Excluded Assets and Excluded Liabilities; and (b) to wind-down and/or dissolve ResidualCo.

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“**Agreement**” means this amended and restated purchase agreement, as may be further amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing the Transaction.

“**Assumed Contracts**” means the Contracts listed in Schedule “G”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof (and including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**BOB Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing the BOB Transaction.

“**BOB Certificate**” means a certificate signed by the Monitor to be filed with the Court following the BOB Closing substantially in the form attached to the BOB Approval and Vesting Order.

“**BOB Closing**” means the closing and consummation of the BOB Transaction.

“**BOB Closing Date**” means March 8, 2024 (or such other earlier or later date as may be agreed by the Parties in writing).

“**BOB Closing Time**” means 12:01 a.m. (Toronto time) on the BOB Closing Date or such other time on the BOB Closing Date as the Parties agree in writing that the BOB Closing Time shall take place.

“**BobHQ**” means B.O.B. Headquarters Inc., a corporation formed pursuant to the laws of the Province of Manitoba.

“**BOB Shares**” means all of the issued and outstanding shares of BobHQ.

“**BOB Transaction**” means the transaction contemplated by Article 5 of this Agreement, whereby Humble MB will sell and transfer to the Purchaser, and the Purchaser will purchase and assume from Humble MB, all of Humble MB’s right, title and interest in and to the BOB Shares.

“**Books and Records**” means: (i) all of the Humble Group’s files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records; and (ii) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by, or in the possession of the Company or any other member of the Humble Group or any of their respective Affiliates including information, documents and records relating to the Assumed Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“**Business**” means the business conducted by the Humble Group, being a fully integrated distributor of cannabis and cannabis accessories with operations across North America and its head office located in Toronto, Ontario.

“**Business Day**” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“**CCAA**” has the meaning set out in the recitals hereto.

“**CCAA Charge Amount**” means cash in an amount sufficient to satisfy the amounts owing in respect of the obligations secured by the CCAA Charges at the Closing Time.

“**CCAA Charges**” means the Administration Charge and the Directors’ Charge.

“**CCAA Proceedings**” has the meaning set out in the recitals hereto.

“**Claims**” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means the date that is ten (10) Business Days, or such shorter period as the Purchaser may determine by notice in writing to the Company, after the date upon which the conditions set forth in Article 9 have been satisfied or waived, other than any conditions set forth in Article 9 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Company and the Purchaser in writing).

“**Closing Time**” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“**Consolidation and Cancellation**” means the consolidation of all Purchased Shares and Existing Shares in accordance with the Consolidation Ratio, and the cancellation of all fractional Purchased Shares and Existing Shares in accordance with Article 2.

“**Consolidation Ratio**” means the ratio by which all Purchased Shares and Existing Shares shall be consolidated, as determined by the Purchaser, acting reasonably and in consultation with the Company and the Monitor, given the intended effect of the Transaction.

“**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which any member of the Humble Group is a party or is bound or in which any member of the Humble Group has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

“**Company**” means Humble & Fume Inc., a corporation incorporated pursuant to the laws of the Province of Ontario.

“**Court**” has the meaning set out in the recitals hereto.

“**Debenture Debt**” means all of the indebtedness and obligations owing by the Company under the Debentures.

“**Debentures**” means the convertible subordinated secured debentures issued by the Company on June 13, 2023.

“**DGC Debt**” means all of the indebtedness and obligations owing by the Humble Group to DGC Investments Inc. under the DGC Loan Agreement.

“**DGC Loan Agreement**” means the loan agreement dated September 1, 2022 among DGC Investments Inc., as lender, the Company, as borrower, and Humble MB, PWF, Windship, BobHQ, Fume Labs and HCS, as guarantors.

“**DIP Loan**” means all of the indebtedness and obligations owing by the Humble Group under the DIP Term Sheet.

“**DIP Term Sheet**” means the debtor-in-possession term sheet dated as of the date hereof, among the Purchaser, as lender, and the members of the Humble Group, as borrowers, as the same may be amended, restated, supplemented and/or modified from time to time.

“**Directors’ Charge**” has the meaning set out in the Initial Order.

“**Discharge**” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release,

discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“**Effective Date**” has the meaning set out in the preamble hereto.

“**Employee**” means any individual who is employed by any member of the Humble Group as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 9.2(e).

“**Employee Priority Claims**” means any Claim for: (i) accrued and unpaid wages and vacation pay owing to an employee of any member of the Humble Group whose employment was terminated between the date that the CCAA Proceedings commenced, being January 5, 2024, and the Closing Date, including the Terminated Employees; and (ii) unpaid amounts provided for in Section 6(5)(a) of the CCAA.

“**Encumbrance**” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Equity Interests**” has the meaning set out in section 2(1) of the CCAA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, and any other interest or entitlement to shares in the capital of the Company, but, for greater certainty, does not include the Post-Consolidation Shares.

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“**Excluded Assets**” means the properties, rights, assets and undertakings of the Humble Group listed as “Excluded Assets” on Schedule “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“**Excluded BOB Assets**” means the Excluded Assets listed on Schedule “A” which are properties, rights, assets or undertakings of BobHQ.

“**Excluded Asset Bill of Sale**” has the meaning set out in Section 4.1.

“**Excluded Contracts**” means those Contracts and other agreements of the Humble Group that are not Assumed Contracts and for greater certainty, includes those Contracts and agreements which are listed on Schedule “B”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; provided, however, that none of the HCSHI Documents will be listed as or otherwise deemed to be an Excluded Contract.

“**Excluded BOB Contracts**” means those Excluded Contracts which are listed on Schedule “B” to which BobHQ is a party.

“**Excluded Liabilities**” has the meaning set out in Section 2.2(a).

“**Excluded BOB Liabilities**” means any and all Excluded Liabilities relating to BobHQ.

“**Excluded Liabilities Assumption Agreement**” has the meaning set out in Section 4.2.

“**Existing Shares**” means all of the common shares of the Company that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the Purchased Shares or the Post-Consolidation Shares.

“**Fume Labs**” means Fume Labs Inc., a corporation formed pursuant to the laws of the Province of Ontario.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

“**HCS**” means Humble Cannabis Solutions Inc., a corporation formed pursuant to the laws of the Province of Ontario.

“**HCSHI**” means HC Solutions Holdings, Inc. a corporation formed pursuant to the laws of the state of Delaware in the United States of America, and its Affiliates.

“**HCSHI Claim or Encumbrance**” means any Claim or Encumbrance by or in favour of a Person arising under or in connection with an HCSHI Document or relating to the HCSHI Shares.

“**HCSHI Document**” means: (i) the HCSHI Stockholder Agreement; (ii) any document, agreement or understanding between or among the Humble Group and HCSHI, Green Acre Capital Distribution Corp, Green Acre Capital Distribution Corp. II or JThree Investments LLC relating to or entered into in connection the HCSHI Stockholder Agreement or HCSHI, in each case as amended from time to time.

“**HCSHI Shares**” means the shares and Equity Interests in HCSHI owned by the Humble Group.

“**HCSHI Stockholder Agreement**” means [**conformed agreement to be referenced**], as amended, restated or amended and restated from time to time.

“**Humble Group**” has the meaning set out in the recitals hereto.

“**Humble MB**” means Humble & Fume Inc., a corporation formed pursuant to the laws of the Province of Manitoba.

“**Income Tax Act**” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“**Initial Order**” has the meaning set out in the recitals hereto and includes any amended and restated versions of such order.

“**Interim Period**” means the period beginning on the Effective Date and ending at the Closing Time.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or

unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Monitor**” has the meaning set out in the recitals hereto.

“**Monitor’s Certificate**” means a certificate signed by the Monitor to be filed with the Court following Closing substantially in the form attached to the Approval and Vesting Order.

“**Organizational Documents**” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“**Outside Date**” means 11:59 pm (Toronto time) on April 15, 2024 or such later date and time as the Company and the Purchaser may agree to in writing.

“**Parties**” means the Company and the Purchaser, and “**Party**” means either of them.

“**Permits and Licenses**” means the orders, permits, licenses, Authorizations, approvals, registrations, consent, waiver or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, the Company or any other member of the Humble Group, by any Governmental Authority, including those related to the Business, the Retained Assets and the Assumed Contracts, and explicitly including those listed on Schedule “**E**”, attached hereto.

“**Permitted Encumbrances**” means those Encumbrances related to the Retained Assets set forth on Schedule “**D**”, as the same may be modified by the Purchaser prior to the granting of the Approval and Vesting Order in accordance with the terms hereof.

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“**Post-Consolidation Shares**” means the common shares of the Company that will remain after the Consolidation and Cancellation, which shall: (a) represent 100% of the issued and outstanding common shares of the Company after the Consolidation and Cancellation; and (b) be solely owned and controlled by the Purchaser.

“**Pre-Closing Reorganization**” means the transactions, acts or events described in Exhibit “**A**”, as the same may be modified by the Parties prior to the Closing Time in accordance with the terms hereof and the Approval and Vesting Order, which, unless otherwise expressly provided therein, are to occur immediately prior to the Closing Time.

“**Priority Payments**” means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA, and the amounts owing under the Employee Priority Claims.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Shares**” means the common shares of the Company issued to the Purchaser in exchange for the Purchase Price in accordance with the Pre-Closing Reorganization.

“**Purchaser**” means 1000760498 Ontario Inc., a corporation formed pursuant to the laws of the Province of Ontario, or its assignee or nominee.

“**PWF**” means P.W.F. Holdco Inc., a corporation formed pursuant to the laws of the State of Delaware.

“**Released Claims**” means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“**ResidualCo**” means a corporation to be incorporated, to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.

“**ResidualCo Shares**” means all of the issued and outstanding shares of ResidualCo.

“**Retained Assets**” has the meaning set out in Section 4.1.

“**Retained Liabilities**” means: (a) Liabilities specifically and expressly designated by the Purchaser as retained Liabilities in Schedule “F”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; (b) the Secured Debt; (c) HCSHI Claims and Encumbrances; (d) all Liabilities and Encumbrances which rank in priority to the Secured Debt to the extent that such Liabilities and Encumbrances are not paid and satisfied at or prior to Closing; and (e) all Liabilities which relate to: (i) the Business under any Assumed Contracts; (ii) any Permits and Licences forming part of the Retained Assets; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“**SISP**” means the sale and investment solicitation process, conducted pursuant to the sale and bidding procedures attached to the SISP Order.

“**SISP Order**” means an order of the Court, in form and substance acceptable to the Purchaser, approving, among other things: (a) the SISP; and (b) the Stalking Horse Agreement as a stalking horse bid in the SISP.

“**Stalking Horse Agreement**” means the stalking horse purchase agreement dated as of January 23, 2024 among the Company and the Purchaser and approved by the Court on January 24, 2024.

“**Secured Debt**” means, collectively, the DIP Loan, the DGC Debt and the Debenture Debt.

“**Taxes**” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such

additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employee**” means those Employees whose employment will be terminated prior to Closing pursuant to Section 9.2(e), as determined by the Purchaser by written notice to the Company at least ten (10) Business Days prior to the Closing Date.

“**Transaction**” means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Shares.

“**Windship**” means Windship Trading LLC., a corporation formed pursuant to the laws of the State of Texas.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to “\$”, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A - Pre-Closing Reorganization

SCHEDULES

| | | |
|------------|---|---|
| Schedule A | - | Excluded Assets and Excluded BOB Assets |
| Schedule B | - | Excluded Contracts and Excluded BOB Contracts |
| Schedule C | - | Excluded Liabilities and Excluded BOB Liabilities |
| Schedule D | - | Permitted Encumbrances |
| Schedule E | - | Permits and Licenses |
| Schedule F | - | Retained Liabilities |
| Schedule G | - | Assumed Contracts |

The Parties acknowledge that as of the Effective Date, the Schedules (other than Schedule E) are not complete. Such Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser, in its sole and absolute discretion, on or before the dates set out in such Schedules and on notice to the Company with a copy to the Monitor.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, effective immediately prior to the Closing Time, the Company shall take the following steps:

- (a) Share Issuance. The Purchaser shall subscribe for and purchase from the Company, and the Company shall issue, assign and transfer to the Purchaser, the Purchased Shares in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Monitor, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price.
- (b) Share Consolidation. The Company's Organizational Documents shall be amended to, among other things: (i) consolidate the Purchased Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the Purchased Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion.
- (c) Share Cancellation. Any fractional Purchased Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Company's Organizational Documents shall be altered as necessary to achieve such cancellation.
- (d) Equity Interests Extinguished. Any and all Equity Interests (for greater certainty, not including the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all Equity Interests

shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof.

2.2 Excluded Liabilities of the Humble Group

- (a) Pursuant to the Approval and Vesting Order, save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Humble Group or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule “C”, (collectively, the “**Excluded Liabilities**”) shall be excluded and will no longer be binding on the Humble Group or the Retained Assets, Employees, Permits and Licenses, or Books and Records following the Closing Time.
- (b) Subject to the Pre-Closing Reorganization and pursuant to the Approval and Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Approval and Vesting Order, and the Humble Group, the Retained Assets, and the Humble Group’s undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The total aggregate consideration payable by the Purchaser for the Purchased Shares and the BOB Shares (the “**Purchase Price**”) shall be equal to all amounts outstanding and obligations payable by the Humble Group under or in connection with the Secured Debt, including principal and interest accrued through to and including the Closing Date, plus any fees and expenses associated therewith, plus the Closing Payment, plus the value of the Retained Liabilities. As at the Effective Date, the Secured Debt is equal to \$3,727,978.

3.2 Payment of Purchase Price

The Purchase Price shall be paid and satisfied on the BOB Closing Date and Closing Date, as the case may be, by the Purchaser assuming the Secured Debt and retaining the Retained Liabilities and performing and/or discharging such amounts as and when they become due.

3.3 Closing Payment

- (a) On the BOB Closing Date, the Purchaser shall pay to the Monitor an amount equal to the sum of: (i) the Priority Payments; (ii) the CCAA Charge Amount; and (iii) the Administrative Wind-down Amount (collectively, the “**Closing Payment**”). The Monitor shall hold the Closing Payment in trust for the benefit of Persons entitled to be paid from the Closing Payment.

- (b) Following the BOB Closing, the Monitor may utilize the Closing Payment to pay and satisfy the Priority Payments, all amounts owing under the CCAA Charges, and the costs incurred in connection with the administration and wind-down of ResidualCo, in its sole discretion and without further authorization from the Humble Group or the Purchaser. Any unused portion of the Closing Payment shall be returned by the Monitor to the Purchaser.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 3.3; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Humble Group pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.3 notwithstanding that the Monitor is not a party to this Agreement.

ARTICLE 4 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

At Closing, the Humble Group shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including the HCSHI Shares, equipment and other personal property, the Assumed Contracts, Permits and Licences, Books and Records, Business and undertakings (the "**Retained Assets**"), excluding inventory sold in the ordinary course of Business in the Interim Period and amounts paid in the Interim Period in accordance with the Initial Order and the DIP Term Sheet. The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts, which the Humble Group shall transfer to ResidualCo, in accordance with the Pre-Closing Reorganization, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order as evidenced by a bill of sale and assignment of contracts (the "**Excluded Assets Bill of Sale**").

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Pre-Closing Reorganization and the Approval and Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo as evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser and the Company (the "**Excluded Liabilities Assumption Agreement**"). Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Humble Group shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Purchased Shares, Humble Group and the Retained Assets as of and from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Approval and Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the Humble Group shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

Notwithstanding anything to the contrary in this Agreement, the Purchase Price is exclusive of GST/HST, and the Purchaser shall be responsible for the payment, on Closing, of any GST/HST required to be paid or

remitted in connection with the consummation of the Transaction contemplated by this Agreement. If applicable, the Company and the Purchaser shall jointly elect that no GST/HST is payable pursuant to the Sales Tax Legislation with respect to the Transaction and the Purchaser will file an election pursuant to section 167 of the Sales Tax Legislation, prepared by the Purchaser and made jointly by the Purchaser and the Company.

4.4 Release by Purchaser

Except in connection with any obligations of Company or the Monitor contained in this Agreement, effective as of the Closing, the Purchaser, on its own behalf and on behalf of its Affiliates, hereby releases and forever discharges the Company, the Monitor, and their respective Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the Business, the Purchased Shares or the Retained Liabilities, save and except for Released Claims arising out of fraud, gross negligence, willful misconduct, bad faith or illegal acts.

ARTICLE 5 BOB TRANSACTION

5.1 Transfer of BOB Shares

Notwithstanding anything to the contrary in this Agreement, the Parties explicitly acknowledge, covenant and agree that the Company shall cause Humble MB to sell and transfer the BOB Shares to the Purchaser, or its nominee or assignee, and the Purchaser, or its nominee or assignee, shall purchase and assume the BOB Shares from Humble MB, on the BOB Closing Date in accordance with the terms of this Article 5. The BOB Transaction shall be subject to all of the terms and conditions of this Agreement, modified as necessary to effect the BOB Closing on the BOB Closing Date.

5.2 Transfer of Excluded BOB Assets, Excluded BOB Liabilities and Taxes

At the BOB Closing, BOB shall retain all of the Retained Assets owned by it on the Effective Date. Such assets shall not include the Excluded BOB Assets or the Excluded BOB Liabilities, which shall be transferred to ResidualCo in accordance with the Pre-Closing Reorganization and vested in ResidualCo pursuant to the BOB Approval and Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor BobHQ shall assume or have any Liability for any of the Excluded BOB Liabilities and all Excluded BOB Liabilities shall be Discharged from the BOB Shares, BobHQ and the Retained Assets as of and from and after the BOB Closing Time.

5.3 Conditions Precedent

The obligation of the Parties to complete the BOB Transaction is subject to the satisfaction or waiver of the conditions precedent set out in Article 9, modified as applicable and necessary to accommodate the BOB Closing, including as follows:

- (a) The Court shall have issued and entered the BOB Approval and Vesting Order, which BOB Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Steps "A" and "B" of the Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.

- (c) The Purchaser and Humble MB shall have exchanged such deliverables as the other Party may reasonably require, which shall include, without limitation, delivery by the Humble MB of:
- (i) a true copy of the BOB Approval and Vesting Order, as issued and entered by the Court;
 - (ii) evidence of the completion of steps “A” and “B” of the Pre-Closing Reorganization, including confirmation of the due incorporation and organization of ResidualCo;
 - (iii) share certificates representing the BOB Shares;
 - (iv) a certificate of an officer of each the Company and the Purchaser dated as of the BOB Closing Date confirming that all of the representations and warranties of the Company and the Purchaser contained in this Agreement are true and correct in all material respects as of the BOB Closing Time, with the same effect as though made at and as of the BOB Closing Time, and that the Company has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the BOB Closing Time; and
 - (v) the Organizational Documents of BOB and the corporate Books and Records.
- (d) The Purchaser shall have paid the Purchase Price in the form of an assumption of the portion of the Secured Debt allocated to the BOB Shares by the Purchaser, acting reasonably.
- (e) The Purchaser shall have paid the Closing Payment to the Monitor by wire transfer of immediately available funds.
- (f) BobHQ shall have terminated the employment of any Employees of BobHQ identified by the Purchaser in its sole discretion to be Terminated Employees 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, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded BOB Liabilities or shall be Discharged pursuant to the BOB Approval and Vesting Order.
- (g) Pursuant to the BOB Approval and Vesting Order: (i) all Excluded BOB Assets and Excluded BOB Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded BOB Liabilities shall have attached to the Excluded BOB Assets, if any; and (iii) BobHQ, its business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after the BOB Closing the business and property of BobHQ shall exclude the Excluded BOB Assets and shall not be subject to any Excluded BOB Liabilities.
- (h) Upon the Closing of the BOB Transaction, the CCAA Proceedings shall have been terminated in respect of BobHQ, its business and property, as set out in the BOB Approval and Vesting Order, but, for greater certainty, shall continue in respect of the other members of the Humble Group and ResidualCo.

- (i) The Monitor shall have delivered the BOB Certificate confirming that all conditions to Closing the BOB Transaction have either been satisfied or waived by both the Purchaser and Humble MB.

To the extent that any condition precedent is not satisfied or waived by the Parties, the BOB Closing shall not occur and the BOB Shares shall instead be transferred at Closing concurrent with the transfer of the Purchased Shares.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining of the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company, any agreement binding on the Company or any Applicable Law applicable to the Company, the Humble Group or any of its Affiliates, the Purchased Shares or the Retained Assets, or result in the creation or require the creation of any Encumbrance upon or against the Purchased Shares or the Retained Assets.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Retained Assets as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of its obligations set forth in this Agreement, and no event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.
- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, the Company does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.

- (g) Residency. The Company is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.
- (h) Authorized and Issued Capital and Title to Purchased Shares. Immediately following the Closing Time, the Post-Consolidation Shares will constitute all of the issued and outstanding shares in the capital of the Company and the Purchaser will be the sole registered and beneficial owner of the Post-Consolidation Shares, with good and valid title thereto, free and clear of all Encumbrances, pursuant to and in accordance with the Approval and Vesting Order. Immediately following the Closing Time, the Post-Consolidation Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; (ii) issued by the Company in compliance with all Applicable Laws; and (iii) there will be no issued and outstanding common shares or other securities of the Company other than the Post-Consolidation Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.
- (i) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Purchased Shares or the Retained Assets.
- (j) Sophisticated Party. The Company (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (ii) has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deemed appropriate, and (iii) has not relied on such analysis or decision of any Person other than its own independent advisors.

6.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending or, to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or

seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

- (f) Sophisticated Party. Purchaser (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (ii) has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deemed appropriate, and (iii) has not relied on such analysis or decision of any Person other than its own independent advisors.

6.3 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's sole recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.

ARTICLE 7 COVENANTS

7.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

7.2 Motion for Approval and Vesting Order

As soon as practicable following the Effective Date and in any event by no later than March 15, 2024, the Company shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction, and release the officers and directors of the Company, its advisors, the Monitor and the Monitor's counsel. The Company shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

7.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Pre-Closing Reorganization), the Humble Group shall comply with the terms of the DIP Term Sheet and continue to maintain the Business and operations of the Humble Group and the Retained Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws, Permits and Licences.

7.4 Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the

generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Company's customers and contractual counterparties. All investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

7.5 Insurance Matters

Until Closing, the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice of the Company in the ordinary course of business.

7.6 ResidualCo

On the Closing Date, the Company shall convey the ResidualCo Shares to the Monitor to hold the ResidualCo Shares as agent and bare trustee on behalf of the common shareholders of the Company immediately prior to the Consolidation and Cancellation. For greater certainty, the Monitor shall not have any obligation or duties to take any actions, steps or otherwise in respect of the ResidualCo Shares, subject to direction from the Monitor, or Order of the Court in the CCAA Proceedings.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

8.2 Pre-Closing Reorganization

- (a) Subject to the other terms of this Agreement, the Company shall effect the Pre-Closing Reorganization on the terms and using the steps set out at Exhibit "A"; *provided that* the Purchaser and Company shall cooperate to ensure that the Pre-Closing Reorganization is completed in a tax efficient manner, including by revising the steps thereof as required by the Purchaser.
- (b) The Purchaser and the Company shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

8.3 Company's Closing Deliverables

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

- (b) evidence of the completion of the Pre-Closing Reorganization, including: (i) confirmation of the due incorporation and organization of ResidualCo; and (ii) evidence of the filing of the amendment to Organizational Documents, as set out in Section 2.1;
- (c) share certificates representing the Post-Consolidation Shares;
- (d) the Excluded Liability Assumption Agreement, signed by the Company and ResidualCo;
- (e) the Excluded Asset Bill of Sale, signed by the Company and ResidualCo;
- (f) a certificate of an officer of the Company dated as of the Closing Date confirming that all of the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Company has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time;
- (g) the Organizational Documents of the Company and the corporate Books and Records;
- (h) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

8.4 Purchaser's Closing Deliverables

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, as applicable), the following:

- (a) payment of the Purchase Price in the form of an assumption of the Secured Debt;
- (b) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time; and
- (c) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 9 CONDITIONS OF CLOSING

9.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been

fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction;
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (d) Monitor's Certificate. The Monitor shall have delivered the Monitor's Certificate confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Company.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

9.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.
- (b) Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.3.
- (c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 6.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (d) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.
- (e) Employees. The Company shall have terminated, and shall have caused the other entities in the Humble Group to have terminated, the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees 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, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be Discharged pursuant to the Approval and Vesting Order.
- (f) ResidualCo. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets, if any; and (iii) the Humble

Group, its Business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after Closing the Business and property of the Humble Group shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

- (g) Partial Termination of CCAA Proceedings. Upon Closing, the CCAA Proceedings shall have been terminated in respect of the Humble Group, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo.
- (h) Disclaimer of Excluded Contracts. The Humble Group shall have sent notices of disclaimer for all known Excluded Contracts, and such known Excluded Contracts shall form part of the Excluded Assets.
- (i) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 9.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

9.3 Conditions Precedent in favour of the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 8.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 6.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 9.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided, however that any condition relating to the performance of covenants and agreements by the Purchaser with respect to the HCSHI Shares, HCSHI Documents or HCSHI Claims or Encumbrances may not be waived without approval of the Court. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 10 TERMINATION

10.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Company (with the consent of the Monitor) and the Purchaser;
- (b) by the Company (with the consent of the Monitor) or the Purchaser, if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Article 8, by the Outside Date and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party; or
- (c) by the Company (with the consent of the Monitor) or the Purchaser upon written notice to the other Party if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order is not obtained on or before March 15, 2024 (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of this Section 10.2. If this Agreement is terminated by the Company pursuant to Section 10.1(b), nothing in this Agreement shall absolve the Purchaser of liability for the violation or breach giving rise to such termination.

ARTICLE 11 GENERAL

11.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of the ResidualCo) to comply with Applicable Law, the Purchaser shall, and shall cause the Company to, retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the ResidualCo, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

11.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

1000760498 Ontario Inc.
2 Bloor Street W, Suite 2006
Toronto, ON, Canada
M4W 3E2

Attention: Shawn Dym
Email: sdym@yorkplains.com

with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide St. W, Toronto, ON, Canada
M5H 4E3

Attention: Jasmine Lothian
Email: jlothian@blg.com

- (b) in the case of the Company, as follows:

Humble & Fume Inc.
1 Eva Road, Suite 416
Etobicoke, Ontario M9C 4Z5

Attention: Jakob Ripshtein
Email: jakob@humbleandfume.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

Attention: Larry Ellis / Sam Massie
Email: lellis@millertomson.com / smassie@millertomson.com

- (c) in each case, with a further copy to the Monitor as follows:

Deloitte Restructuring Inc.
Suite 200, 8 Adelaide Street West
Toronto, ON M5H 0A9

Attention: Jordan Sleeth / Todd Ambachtsheer
Email: jsleeth@deloitte.ca / tambachtsheer@deloitte.ca

with a copy to:

Cozen O'Connor LLP
Bay Adelaide Centre, North Tower
Suite 2700, 40 Temperance Street
Toronto, ON M5H 0B4

Attention: Steven Weisz

Email: sweisz@cozen.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

11.3 Public Announcements

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Company in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company or any of its Affiliates under Applicable Laws or stock exchange rules, the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

11.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

11.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

11.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

11.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any material respect except by written instrument executed by the Company and the Purchaser and with the approval of the Monitor or the Court.

11.8 Paramourcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

11.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

11.10 Assignment

- (a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Company, ResidualCo or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Company and the Monitor; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchaser.

11.11 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 assurances as may be reasonably necessary or desirable to give effect to this Agreement.

11.12 Counterparts

This Agreement 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 Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

11.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

11.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith.

11.15 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Company and the Purchaser acknowledge and agree that the Monitor, acting in its

capacity as Monitor of the Humble Group and not in its personal or corporate capacity, will have no Liability, in its personal or corporate capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

1000760498 ONTARIO INC.

DocuSigned by:

By: _____
63CE4BEB98204EF...
Name: Shawn Dym
Title: President

I have authority to bind the Corporation.

HUMBLE & FUME INC.

DocuSigned by:

By: _____
0AE7986CE32D413...
Name: Jakob Ripshtein
Title: Chief Executive Officer

I have authority to bind the Corporation.

Acknowledged and agreed to in respect of the BOB Transaction by:


HUMBLE & FUME INC (MANITOBA)

DocuSigned by:

Per: _____
0AE7986CE32D413...
Name: Jakob Ripshtein
Title: Chief Executive Officer

I have authority to bind the Corporation.

B.O.B HEADQUARTERS INC.

DocuSigned by:

Per: _____
0AE7986CE32D413...
Name: Jakob Ripshtein
Title: Chief Executive Officer

I have authority to bind the Corporation.

EXHIBIT "A"
PRE-CLOSING REORGANIZATION

A. Pre-Closings

1. ResidualCo shall be incorporated by the Company with nominal consideration for common shares and shall be added to the CCAA Proceedings as an Applicant, but shall take no other steps or actions in respect thereof.

B. Upon Closing of the BOB Transaction

The following steps shall be deemed to happen concurrently:

1. The BOB Shares shall be issued to the Purchaser, or its nominee or assignee.
2. The Excluded BOB and Excluded BOB Liabilities shall be transferred to and shall vest in ResidualCo and the BOB Approval and Vesting Order. All Claims attaching to the Excluded BOB Assets and Excluded BOB Liabilities shall continue to exist against ResidualCo and the Excluded BOB Assets, if any, shall be available to satisfy such Claims.

C. Upon Closing of the Transaction

The following steps shall be deemed to happen concurrently:

3. The Purchased Shares shall be issued to the Purchaser and the Consolidation and Cancellation shall be effected in accordance with Section 2.1 of this Agreement.
4. The Excluded Assets and Excluded Liabilities shall be transferred to and shall vest in ResidualCo pursuant to the Excluded Asset Bill of Sale, the Excluded Liabilities Assumption Agreement and the Approval and Vesting Order. All Claims attaching to the Excluded Assets and Excluded Liabilities shall continue to exist against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims.
5. The Corporation shall convey the ResidualCo Shares to the Monitor as agent and bare trustee for the holders of the Existing Shares immediately prior to the Consolidation and Cancellation.

SCHEDULE "A"
EXCLUDED ASSETS

1. Inventory sold in the ordinary course of Business in the Interim Period.
2. Excluded Contracts.

[Note: Balance of schedule to be completed prior to BOB Closing.]

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a non-exhaustive list of Excluded Contracts:

1.

[Note: Balance of schedule to be completed prior to BOB Closing.]

**SCHEDULE “C”
EXCLUDED LIABILITIES**

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time.
2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any court-ordered charge granted therein.
3. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.
4. All Liabilities to Terminated Employees whose employment with the Company is terminated on or before Closing, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law.
5. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.
6. Any and all Liabilities that are not Retained Liabilities.

[Note: Balance of schedule to be completed prior to BOB Closing.]

SCHEDULE "D"
PERMITTED ENCUMBRANCES

1. Any and all security registered against the Humble Group in connection with the Secured Debt.

[Note: Balance of schedule to be completed prior to issuance of Approval and Vesting Order.]

**SCHEDULE “E”
PERMITS & LICENSES**

| Regulatory Authority | Authorization Type | Details | Licensee | Effective Date | Expiry Date | Registration Number |
|--|----------------------------|---|--------------------------------|-----------------------|--------------------|----------------------------|
| Alberta Gaming, Liquor & Cannabis | Cannabis Registration | Authorizes holder to operate in accordance with the provisions of the Gaming, Liquor and Cannabis Act and related Regulations | Humble Cannabis Solutions Inc. | March 29, 2023 | March 28, 2025 | 301973-1 |
| General Manager under the Cannabis Control and Licensing Act of British Columbia | Cannabis Marketing Licence | Authorizes holder to act as a marketing licensee to promote cannabis for the purpose of selling it | Humble Cannabis Solutions Inc. | November 10, 2023 | December 31, 2024 | CM000052 |

SCHEDULE "F"
RETAINED LIABILITIES

1. The Secured Debt.

[Note: Balance of schedule to be completed prior to BOB Closing.]

SCHEDULE "G"
ASSUMED CONTRACTS

The following is a comprehensive list of Assumed Contracts:

[Note: Balance of schedule to be completed prior to BOB Closing.]

Appendix “B”

Blackline of Amended Share Purchase Agreement

STALKING HORSE AMENDED AND RESTATED PURCHASE AGREEMENT

This Agreement is made as of the ~~23rd~~5th day of ~~January~~March, 2024 (the “Effective Date”)

BY AND AMONG:

HUMBLE & FUME INC., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as the “Company”)

- and -

1000760498 ONTARIO INC., a corporation formed pursuant to the laws of the Province of Ontario, or its assignee or nominee (hereinafter referred to as the “Purchaser”)

WHEREAS, pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued January 5, 2024 (as amended on January 12, 2024, and as may be further amended or amended and restated from time to time, the “Initial Order”), the Company, Humble & Fume Inc. (“Humble MB”), B.O.B. Headquarters Inc. (“BobHQ”), Humble Cannabis Solutions Inc. (“HCS”), Fume Labs Inc. (“Fume Labs”), P.W.F. Holdco Inc. (“PWF”) and Windship Trading LLC (“Windship” and together with the Company, Humble MB, BobHQ, HCS, Fume Labs and PWF, collectively, the “Humble Group”) were granted, among other things, creditor protection under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “CCAA”) and Deloitte Restructuring Inc. was appointed as Monitor of the Humble Group (in such capacity, the “Monitor”);

AND WHEREAS, in connection with the proceedings initiated by the Initial Order (the “CCAA Proceedings”), on January 24, 2024, the Humble Group ~~intends to seek the sought and obtained~~ approval of the Court ~~to run a stalking horse sale and investment solicitation process (as further described in Schedule “F”, attached hereto, of: (a) the “SISP”) pursuant to which this Agreement will serve as (as defined herein); and (b) the Stalking Horse Bid for the Purchased Shares (each Agreement (as defined herein) for the purpose of serving as a stalking horse bid in the SISP;~~

AND WHEREAS, ~~in pursuant to the event that this terms of the SISP, the Stalking Horse Agreement is selected as~~ has been declared the Successful Bid (as defined ~~herein~~) in the SISP);

AND WHEREAS, the Company and the Purchaser wish to amend and restate the terms of the Stalking Horse Agreement in accordance with the SISP terms and conditions of this Agreement;

AND WHEREAS, the Company has agreed to issue, sell and transfer to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares (as defined herein), subject to and in accordance with the terms and conditions set forth in this Agreement;

AND WHEREAS, Humble MB has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to purchase from the Company, the BOB Shares (as defined herein), subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Administration Charge**” has the meaning set out in the Initial Order.

“**Administrative Wind-down Amount**” means cash in the amount of \$50,000 to be used to satisfy costs incurred by the Monitor and its professional advisors, and the professional advisors of the Humble Group and ResidualCo: (a) to administer ResidualCo and the Excluded Assets and Excluded Liabilities; and (b) to wind-down and/or dissolve ResidualCo.

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“**Agreement**” means this [amended and restated](#) purchase agreement, as may be [further](#) amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing the Transaction.

“**Assumed Contracts**” means the Contracts listed in Schedule “**HG**”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof (and including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time).

~~“**Auction**” has the meaning set out in Section 5.1(e).~~

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

~~“**Bid Deadline**” has the meaning set out in Schedule “**F**”.~~ **BOB Approval and Vesting Order** means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing the BOB Transaction.

“BOB Certificate” means a certificate signed by the Monitor to be filed with the Court following the BOB Closing substantially in the form attached to the BOB Approval and Vesting Order.

“BOB Closing” means the closing and consummation of the BOB Transaction.

“BOB Closing Date” means March 8, 2024 (or such other earlier or later date as may be agreed by the Parties in writing).

“BOB Closing Time” means 12:01 a.m. (Toronto time) on the BOB Closing Date or such other time on the BOB Closing Date as the Parties agree in writing that the BOB Closing Time shall take place.

“BobHQ” means B.O.B. Headquarters Inc., a corporation formed pursuant to the laws of the Province of Manitoba.

“BOB Shares” means all of the issued and outstanding shares of BobHQ.

“BOB Transaction” means the transaction contemplated by Article 5 of this Agreement, whereby Humble MB will sell and transfer to the Purchaser, and the Purchaser will purchase and assume from Humble MB, all of Humble MB’s right, title and interest in and to the BOB Shares.

“Books and Records” means: (i) all of the Humble Group’s files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records; and (ii) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by, or in the possession of the Company or any other member of the Humble Group or any of their respective Affiliates including information, documents and records relating to the Assumed Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“Business” means the business conducted by the Humble Group, being a fully integrated distributor of cannabis and cannabis accessories with operations across North America and its head office located in Toronto, Ontario.

“Business Day” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“CCAA” has the meaning set out in the recitals hereto.

“CCAA Charge Amount” means cash in an amount sufficient to satisfy the amounts owing in respect of the obligations secured by the CCAA Charges at the Closing Time.

“CCAA Charges” means the Administration Charge and the Directors’ Charge.

“CCAA Proceedings” has the meaning set out in the recitals hereto.

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any

cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means the date that is ten (10) Business Days, or such shorter period as the Purchaser may determine by notice in writing to the Company, after the date upon which the conditions set forth in Article 9 have been satisfied or waived, other than any conditions set forth in Article 9 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Company and the Purchaser in writing).

“**Closing Time**” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“**Consolidation and Cancellation**” means the consolidation of all Purchased Shares and Existing Shares in accordance with the Consolidation Ratio, and the cancellation of all fractional Purchased Shares and Existing Shares in accordance with Article 2.

“**Consolidation Ratio**” means the ratio by which all Purchased Shares and Existing Shares shall be consolidated, as determined by the Purchaser, acting reasonably and in consultation with the Company and the Monitor, given the intended effect of the Transaction.

“**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which any member of the Humble Group is a party or is bound or in which any member of the Humble Group has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

“**Company**” means Humble & Fume Inc., a corporation incorporated pursuant to the laws of the Province of Ontario.

“**Court**” has the meaning set out in the recitals hereto.

“**Debenture Debt**” means all of the indebtedness and obligations owing by the Company under the Debentures.

“**Debentures**” means the convertible subordinated secured debentures issued by the Company on June 13, 2023.

“**DGC Debt**” means all of the indebtedness and obligations owing by the Humble Group to DGC Investments Inc. under the DGC Loan Agreement.

“**DGC Loan Agreement**” means the loan agreement dated September 1, 2022 among DGC Investments Inc., as lender, the Company, as borrower, and Humble MB, PWF, Windship, BobHQ, Fume Labs and HCS, as guarantors.

“**DIP Loan**” means all of the indebtedness and obligations owing by the Humble Group under the DIP Term Sheet.

“**DIP Term Sheet**” means the debtor-in-possession term sheet dated as of the date hereof, among the Purchaser, as lender, and the members of the Humble Group, as borrowers, as the same may be amended, restated, supplemented and/or modified from time to time.

“**Directors’ Charge**” has the meaning set out in the Initial Order.

“**Discharge**” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“**Effective Date**” has the meaning set out in the preamble hereto.

“**Employee**” means any individual who is employed by any member of the Humble Group as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 9.2(~~f~~e).

“**Employee Priority Claims**” means any Claim for: (i) accrued and unpaid wages and vacation pay owing to an employee of any member of the Humble Group whose employment was terminated between the ~~Filing Date~~date that the CCAA Proceedings commenced, being January 5, 2024, and the Closing Date, including the Terminated Employees; and (ii) unpaid amounts provided for in Section 6(5)(a) of the CCAA.

“**Encumbrance**” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Equity Interests**” has the meaning set out in section 2(1) of the CCAA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, and any other interest or entitlement to shares in the capital of the Company, but, for greater certainty, does not include the Post-Consolidation Shares.

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“**Excluded Assets**” means the properties, rights, assets and undertakings of the Humble Group listed as “Excluded Assets” on Schedule “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“**Excluded BOB Assets**” means the Excluded Assets listed on Schedule “A” which are properties, rights, assets or undertakings of BobHQ.

“**Excluded Asset Bill of Sale**” has the meaning set out in Section 4.1.

“**Excluded Contracts**” means those Contracts and other agreements of the Humble Group that are not Assumed Contracts and for greater certainty, includes those Contracts and agreements which are listed on Schedule “B”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; provided, however, that none of the HCSHI Documents will be listed as or otherwise deemed to be an Excluded Contract.

“**Excluded BOB Contracts**” means those Excluded Contracts which are listed on Schedule “B” to which BobHQ is a party.

“**Excluded Liabilities**” has the meaning set out in Section 2.2(a).

“**Excluded BOB Liabilities**” means any and all Excluded Liabilities relating to BobHQ.

“**Excluded Liabilities Assumption Agreement**” has the meaning set out in Section 4.2.

“**Existing Shares**” means all of the common shares of the Company that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the Purchased Shares or the Post-Consolidation Shares.

“**Fume Labs**” means Fume Labs Inc., a corporation formed pursuant to the laws of the Province of Ontario.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

“**HCS**” means Humble Cannabis Solutions Inc., a corporation formed pursuant to the laws of the Province of Ontario.

“**HCSHI**” means HC Solutions Holdings, Inc. a corporation formed pursuant to the laws of the state of Delaware in the United States of America, and its Affiliates.

“**HCSHI Claim or Encumbrance**” means any Claim or Encumbrance by or in favour of a Person arising under or in connection with an HCSHI Document or relating to the HCSHI Shares.

“**HCSHI Document**” means: (i) the HCSHI Stockholder Agreement; (ii) any document, agreement or understanding between or among the Humble Group and HCSHI, Green Acre Capital Distribution Corp, Green Acre Capital Distribution Corp. II or JThree Investments LLC relating to or entered into in connection the HCSHI Stockholder Agreement or HCSHI, in each case as amended from time to time.

“**HCSHI Shares**” means the shares and Equity Interests in HCSHI owned by the Humble Group.

“**HCSHI Stockholder Agreement**” means [**conformed agreement to be referenced**], as amended, restated or amended and restated from time to time.

“**Humble Group**” has the meaning set out in the recitals hereto.

“**Humble MB**” means Humble & Fume Inc., a corporation formed pursuant to the laws of the Province of Manitoba.

“**Income Tax Act**” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“**Initial Order**” has the meaning set out in the recitals hereto and includes any amended and restated versions of such order.

“**Interim Period**” means the period beginning on the Effective Date and ending at the Closing Time.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or

unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Monitor**” has the meaning set out in the recitals hereto.

“**Monitor’s Certificate**” means a certificate signed by the Monitor to be filed with the Court following Closing substantially in the form attached to the Approval and Vesting Order.

“**Organizational Documents**” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“**Outside Date**” means 11:59 pm (Toronto time) on April 15, 2024 or such later date and time as the Company and the Purchaser may agree to in writing.

“**Parties**” means the Company and the Purchaser, and “**Party**” means either of them.

“**Permits and Licenses**” means the orders, permits, licenses, Authorizations, approvals, registrations, consent, waiver or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, the Company or any other member of the Humble Group, by any Governmental Authority, including those related to the Business, the Retained Assets and the Assumed Contracts, and explicitly including those listed on Schedule “**E**”, attached hereto.

“**Permitted Encumbrances**” means those Encumbrances related to the Retained Assets set forth on Schedule “**D**”, as the same may be modified by the Purchaser prior to the granting of the Approval and Vesting Order in accordance with the terms hereof.

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“**Post-Consolidation Shares**” means the common shares of the Company that will remain after the Consolidation and Cancellation, which shall: (a) represent 100% of the issued and outstanding common shares of the Company after the Consolidation and Cancellation; and (b) be solely owned and controlled by the Purchaser.

“**Pre-Closing Reorganization**” means the transactions, acts or events described in Exhibit “**A**”, as the same may be modified by the Parties prior to the Closing Time in accordance with the terms hereof and the Approval and Vesting Order, which, unless otherwise expressly provided therein, are to occur immediately prior to the Closing Time.

~~“**Professional Fees**” has the meaning set out in Section 5.1(b).~~

“**Priority Payments**” means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA, and the amounts owing under the Employee Priority Claims.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Shares**” means the common shares of the Company issued to the Purchaser in exchange for the Purchase Price in accordance with the Pre-Closing Reorganization.

“**Purchaser**” means 1000760498 Ontario Inc., a corporation formed pursuant to the laws of the Province of Ontario, or its assignee or nominee.

“**PWF**” means P.W.F. Holdco Inc., a corporation formed pursuant to the laws of the State of Delaware.

“**Released Claims**” means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“**ResidualCo**” means a corporation to be incorporated, to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.

“**ResidualCo Shares**” means all of the issued and outstanding shares of ResidualCo.

“**Retained Assets**” has the meaning set out in Section 4.1.

“**Retained Liabilities**” means: (a) Liabilities specifically and expressly designated by the Purchaser as retained Liabilities in Schedule “**GF**”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; (b) the Secured Debt; (c) HCSHI Claims and Encumbrances; (d) all Liabilities and Encumbrances which rank in priority to the Secured Debt to the extent that such Liabilities and Encumbrances are not paid and satisfied at or prior to Closing; and (e) all Liabilities which relate to: (i) the Business under any Assumed Contracts; (ii) any Permits and Licences forming part of the Retained Assets; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“**SISP**” means the sale and investment solicitation process, ~~to be~~ conducted pursuant to the sale and bidding procedures ~~substantially in the form set out in Schedule “F” hereto~~ attached to the SISP Order.

“**SISP Order**” means an order of the Court, in form and substance acceptable to the Purchaser, approving, among other things: (a) the SISP; ~~and~~ (b) ~~this Agreement as the Stalking Horse Bid in the SISP; and (c) Agreement as a stalking horse bid in the Professional Fees SISP~~.

~~“Stalking Horse Bid” has the meaning set out in Section 5.1(a)~~ “**Agreement**” means the stalking horse purchase agreement dated as of January 23, 2024 among the Company and the Purchaser and approved by the Court on January 24, 2024.

“**Secured Debt**” means, collectively, the DIP Loan, the DGC Debt and the Debenture Debt.

~~“**Successful Bid**” has the meaning set out in Section 5.1(e).~~

~~“**Successful Bidder**” has the meaning set out in Section 5.1(e).~~

“**Taxes**” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes,

property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employee**” means those Employees whose employment will be terminated prior to Closing pursuant to Section 9.2(~~f~~e), as determined by the Purchaser by written notice to the Company at least ten (10) Business Days prior to the Closing Date.

“**Transaction**” means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Shares.

“**Windship**” means Windship Trading LLC., a corporation formed pursuant to the laws of the State of Texas.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to “\$”, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A - Pre-Closing Reorganization

SCHEDULES

Schedule A - Excluded Assets and Excluded BOB Assets

Schedule B - Excluded Contracts and Excluded BOB Contracts

Schedule C - Excluded Liabilities and Excluded BOB Liabilities

Schedule D - Permitted Encumbrances

Schedule E - Permits and Licenses

~~Schedule F - SISP and Bidding Procedures~~

~~Schedule G~~ - Retained Liabilities

Schedule HG - Assumed Contracts

The Parties acknowledge that as of the Effective Date, the Schedules (other than ~~Schedules~~ Schedule E and F) are not complete. Such Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser, in its sole and absolute discretion, on or before the dates set out in such Schedules and on notice to the Company with a copy to the Monitor.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, effective immediately prior to the Closing Time, the Company shall take the following steps:

- (a) Share Issuance. The Purchaser shall subscribe for and purchase from the Company, and the Company shall issue, assign and transfer to the Purchaser, the Purchased Shares in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Monitor, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price.
- (b) Share Consolidation. The Company's Organizational Documents shall be amended to, among other things: (i) consolidate the Purchased Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the Purchased Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion.
- (c) Share Cancellation. Any fractional Purchased Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and

the Company's Organizational Documents shall be altered as necessary to achieve such cancellation.

- (d) Equity Interests Extinguished. Any and all Equity Interests (for greater certainty, not including the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all Equity Interests shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof.

2.2 Excluded Liabilities of the ~~Company~~Humble Group

- (a) Pursuant to the Approval and Vesting Order, save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Humble Group or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule "C", (collectively, the "**Excluded Liabilities**") shall be excluded and will no longer be binding on the Humble Group or the Retained Assets, Employees, Permits and Licenses, or Books and Records following the Closing Time.
- (b) Subject to the Pre-Closing Reorganization and pursuant to the Approval and Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Approval and Vesting Order, and the Humble Group, the Retained Assets, and the Humble Group's undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The total aggregate consideration payable by the Purchaser for the Purchased Shares and the BOB Shares (the "**Purchase Price**") shall be equal to all amounts outstanding and obligations payable by the Humble Group under or in connection with the Secured Debt, including principal and interest accrued through to and including the Closing Date, plus any fees and expenses associated therewith, plus the Closing Payment, plus the value of the Retained Liabilities. As at the Effective Date, the Secured Debt is equal to \$3,727,978.

3.2 Payment of Purchase Price

The Purchase Price shall be paid and satisfied on the BOB Closing Date and Closing Date, as the case may be, by the Purchaser assuming the Secured Debt and retaining the Retained Liabilities and performing and/or discharging such amounts as and when they become due.

3.3 Closing Payment

- (a) On the BOB Closing Date, the Purchaser shall pay to the Monitor an amount equal to the sum of: (i) the Priority Payments; (ii) the CCAA Charge Amount; and (iii) the Administrative Wind-down Amount (collectively, the “**Closing Payment**”). The Monitor shall hold the Closing Payment in trust for the benefit of Persons entitled to be paid from the Closing Payment.
- (b) Following the BOB Closing, the Monitor may utilize the Closing Payment to pay and satisfy the Priority Payments, all amounts owing under the CCAA Charges, and the costs incurred in connection with the administration and wind-down of ResidualCo, in its sole discretion and without further authorization from the Humble Group or the Purchaser. Any unused portion of the Closing Payment shall be returned by the Monitor to the Purchaser.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of Company and the Purchaser acknowledges and agrees that: (i) the Monitor’s obligations hereunder are and shall remain limited to those specifically set out in this Section 3.3; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Humble Group pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor’s gross negligence or intentional fault. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.3 notwithstanding that the Monitor is not a party to this Agreement.

ARTICLE 4 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

At Closing, the Humble Group shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including the HCSHI Shares, equipment and other personal property, the Assumed Contracts, Permits and Licences, Books and Records, Business and undertakings (the “**Retained Assets**”), excluding inventory sold in the ordinary course of Business in the Interim Period and amounts paid in the Interim Period in accordance with the Initial Order and the DIP Term Sheet. The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts, which the Humble Group shall transfer to ResidualCo, in accordance with the Pre-Closing Reorganization, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order as evidenced by a bill of sale and assignment of contracts (the “**Excluded Assets Bill of Sale**”).

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Pre-Closing Reorganization and the Approval and Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo as evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser and the Company (the “**Excluded Liabilities Assumption Agreement**”). Notwithstanding any other provision of this Agreement, neither the Purchaser nor the ~~Company~~Humble Group shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Purchased Shares, ~~the Company~~Humble Group and the Retained Assets as of and from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Approval and Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the ~~Company~~ Humble Group shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

Notwithstanding anything to the contrary in this Agreement, the Purchase Price is exclusive of GST/HST, and the Purchaser shall be responsible for the payment, on Closing, of any GST/HST required to be paid or remitted in connection with the consummation of the Transaction contemplated by this Agreement. If applicable, the Company and the Purchaser shall jointly elect that no GST/HST is payable pursuant to the Sales Tax Legislation with respect to the Transaction and the Purchaser will file an election pursuant to section 167 of the Sales Tax Legislation, prepared by the Purchaser and made jointly by the Purchaser and the Company ~~(the "Section 167 Election")~~.

4.4 Release by Purchaser

Except in connection with any obligations of Company or the Monitor contained in this Agreement, effective as of the Closing, the Purchaser, on its own behalf and on behalf of its Affiliates, hereby releases and forever discharges the Company, the Monitor, and their respective Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the Business, the Purchased Shares or the Retained Liabilities, save and except for Released Claims arising out of fraud, gross negligence, willful misconduct, bad faith or illegal acts.

~~ARTICLE 5~~ ~~SISP, BIDDING PROCEDURES~~

~~5.1 SISP~~

- ~~(a) The Company shall bring a motion for the SISP Order to be heard on or before January 25, 2024. The SISP Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or "stalking horse bid" in respect of the Purchased Shares (the "Stalking Horse Bid"); and (ii) as a deemed "Qualified Bid", with an attendant right on the part of the Purchaser to participate as a bidder in any Auction (as defined below). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Shares and the Retained Assets, and that the within Stalking Horse Bid may be the Successful Bid for the Purchased Shares and the Retained Assets.~~
- ~~(b) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to repayment of all professional fees, disbursements and expenses of any kind or nature whatsoever incurred in connection with this Agreement, the SISP, and the Transaction, to a maximum amount of \$75,000 (the "Professional Fees"); which shall be payable to the Purchaser in the event that the Stalking Horse Bid is not the Successful Bid. For certainty, the Professional Fees do not form part of the Purchase Price.~~

ARTICLE 5 BOB TRANSACTION

5.1 Transfer of BOB Shares

Notwithstanding anything to the contrary in this Agreement, the Parties explicitly acknowledge, covenant and agree that the Company shall cause Humble MB to sell and transfer the BOB Shares to the Purchaser, or its nominee or assignee, and the Purchaser, or its nominee or assignee, shall purchase and assume the BOB Shares from Humble MB, on the BOB Closing Date in accordance with the terms of this Article 5. The BOB Transaction shall be subject to all of the terms and conditions of this Agreement, modified as necessary to effect the BOB Closing on the BOB Closing Date.

5.2 Transfer of Excluded BOB Assets, Excluded BOB Liabilities and Taxes

At the BOB Closing, BOB shall retain all of the Retained Assets owned by it on the Effective Date. Such assets shall not include the Excluded BOB Assets or the Excluded BOB Liabilities, which shall be transferred to ResidualCo in accordance with the Pre-Closing Reorganization and vested in ResidualCo pursuant to the BOB Approval and Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor BobHQ shall assume or have any Liability for any of the Excluded BOB Liabilities and all Excluded BOB Liabilities shall be Discharged from the BOB Shares, BobHQ and the Retained Assets as of and from and after the BOB Closing Time.

5.3 Conditions Precedent

The obligation of the Parties to complete the BOB Transaction is subject to the satisfaction or waiver of the conditions precedent set out in Article 9, modified as applicable and necessary to accommodate the BOB Closing, including as follows:

- (a) The Court shall have issued and entered the BOB Approval and Vesting Order, which BOB Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Steps "A" and "B" of the Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.
- (c) ~~The payment of the Professional Fees shall be approved in the SISP Order and shall, if payable pursuant to Section 5.1(b), be payable to the Purchaser, on behalf of the Company, within two (2) Business Days of the closing of the transaction contemplated by the Successful Bid.~~ The Purchaser and Humble MB shall have exchanged such deliverables as the other Party may reasonably require, which shall include, without limitation, delivery by the Humble MB of:
 - (i) a true copy of the BOB Approval and Vesting Order, as issued and entered by the Court;
 - (ii) evidence of the completion of steps "A" and "B" of the Pre-Closing Reorganization, including confirmation of the due incorporation and organization of ResidualCo;
 - (iii) share certificates representing the BOB Shares;

- (iv) a certificate of an officer of each the Company and the Purchaser dated as of the BOB Closing Date confirming that all of the representations and warranties of the Company and the Purchaser contained in this Agreement are true and correct in all material respects as of the BOB Closing Time, with the same effect as though made at and as of the BOB Closing Time, and that the Company has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the BOB Closing Time; and
- (v) the Organizational Documents of BOB and the corporate Books and Records.
- ~~(d) In the event that one or more Persons submits a Qualified Bid (as defined in the SISP) on or before the Bid Deadline, the Company, in consultation with the Monitor, shall determine if an auction (the "Auction") is necessary in order to determine and select a winning bid (the "Successful Bid" and the Person submitting such bid being the "Successful Bidder"). Upon the selection of a Successful Bidder, there shall be a binding agreement of purchase and sale between the Successful Bidder and the Company. The Company shall forthwith bring a motion following the selection of the Successful Bidder for an order approving the agreement reached with the Successful Bidder and to vest the Purchased Shares in the Successful Bidder and, if granted, shall proceed with closing the transaction forthwith. The Purchaser shall have paid the Purchase Price in the form of an assumption of the portion of the Secured Debt allocated to the BOB Shares by the Purchaser, acting reasonably.~~
- ~~(e) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Bidder under the SISP, then upon selection of the other Successful Bid: (i) this Agreement shall be terminated (subject to Section 10.2 and the Purchaser's entitlement to the Professional Fees); (ii) the Purchaser shall be entitled to the Professional Fees; and (iii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in this Agreement. The Purchaser shall have paid the Closing Payment to the Monitor by wire transfer of immediately available funds.~~
- ~~(f) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Company shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the Transaction forthwith. BobHQ shall have terminated the employment of any Employees of BobHQ identified by the Purchaser in its sole discretion to be Terminated Employees 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, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded BOB Liabilities or shall be Discharged pursuant to the BOB Approval and Vesting Order.~~
- (g) Pursuant to the BOB Approval and Vesting Order: (i) all Excluded BOB Assets and Excluded BOB Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded BOB Liabilities shall have attached to the Excluded BOB Assets, if any; and (iii) BobHQ, its business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after the BOB Closing the business and property of BobHQ shall exclude the Excluded BOB Assets and shall not be subject to any Excluded BOB Liabilities.

- (h) Upon the Closing of the BOB Transaction, the CCAA Proceedings shall have been terminated in respect of BobHQ, its business and property, as set out in the BOB Approval and Vesting Order, but, for greater certainty, shall continue in respect of the other members of the Humble Group and ResidualCo.
- (i) The Monitor shall have delivered the BOB Certificate confirming that all conditions to Closing the BOB Transaction have either been satisfied or waived by both the Purchaser and Humble MB.

To the extent that any condition precedent is not satisfied or waived by the Parties, the BOB Closing shall not occur and the BOB Shares shall instead be transferred at Closing concurrent with the transfer of the Purchased Shares.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining of the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company, any agreement binding on the Company or any Applicable Law applicable to the Company, the Humble Group or any of its Affiliates, the Purchased Shares or the Retained Assets, or result in the creation or require the creation of any Encumbrance upon or against the Purchased Shares or the Retained Assets.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Retained Assets as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of its obligations set forth in this Agreement, and no event has occurred or circumstance exists which

would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.

- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, the Company does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (g) Residency. The Company is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.
- (h) Authorized and Issued Capital and Title to Purchased Shares. Immediately following the Closing Time, the Post-Consolidation Shares will constitute all of the issued and outstanding shares in the capital of the Company and the Purchaser will be the sole registered and beneficial owner of the Post-Consolidation Shares, with good and valid title thereto, free and clear of all Encumbrances, pursuant to and in accordance with the Approval and Vesting Order. Immediately following the Closing Time, the Post-Consolidation Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; (ii) issued by the Company in compliance with all Applicable Laws; and (iii) there will be no issued and outstanding common shares or other securities of the Company other than the Post-Consolidation Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.
- (i) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Purchased Shares or the Retained Assets.
- (j) Sophisticated Party. The Company (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (ii) has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deemed appropriate, and (iii) has not relied on such analysis or decision of any Person other than its own independent advisors.

6.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or

conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending or, to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Sophisticated Party. Purchaser (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (ii) has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deemed appropriate, and (iii) has not relied on such analysis or decision of any Person other than its own independent advisors.

6.3 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's sole recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.

ARTICLE 7 COVENANTS

7.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

7.2 Motion for Approval and Vesting Order

As soon as practicable after following the ~~selection of this Agreement as the Successful Bid in the SISPEffective Date~~ and in any event by no later than March 15, 2024, the Company shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction, and release the officers and directors of the Company, its advisors, the Monitor and the Monitor's counsel. The Company shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

7.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Pre-Closing Reorganization), the Humble Group shall comply with the terms of the DIP Term Sheet and continue to maintain the Business and operations of the Humble Group and the Retained Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws, Permits and Licences.

7.4 Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Company's customers and contractual counterparties. ~~Subject to any Professional Fees incurred in connection with any such investigations, inspections, surveys, and tests, which shall be reimbursed in accordance with Article 5 hereof, all~~ All investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

7.5 Insurance Matters

Until Closing, the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice of the Company in the ordinary course of business.

7.6 ResidualCo

On the Closing Date, the Company shall convey the ResidualCo Shares to the Monitor to hold the ResidualCo Shares as agent and bare trustee on behalf of the common shareholders of the Company immediately prior to the Consolidation and Cancellation. For greater certainty, the Monitor shall not have any obligation or duties to take any actions, steps or otherwise in respect of the ResidualCo Shares, subject to direction from the Monitor, or Order of the Court in the CCAA Proceedings.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

8.2 Pre-Closing Reorganization

- (a) Subject to the other terms of this Agreement, the Company shall effect the Pre-Closing Reorganization on the terms and using the steps set out at Exhibit "A"; *provided that* the Purchaser and Company shall cooperate to ensure that the Pre-Closing Reorganization is

completed in a tax efficient manner, including by revising the steps thereof as required by the Purchaser.

- (b) The Purchaser and the Company shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

8.3 Company's Closing Deliverables

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) evidence of the completion of the Pre-Closing Reorganization, including: (i) confirmation of the due incorporation and organization of ResidualCo; and (ii) evidence of the filing of the amendment to Organizational Documents, as set out in Section 2.1;
- (c) share certificates representing the Post-Consolidation Shares;
- (d) the Excluded Liability Assumption Agreement, signed by the Company and ResidualCo;
- (e) the Excluded Asset Bill of Sale, signed by the Company and ResidualCo;
- ~~(f) the Section 167 Election, if applicable;~~
- (f) ~~(g)~~ a certificate of an officer of the Company dated as of the Closing Date confirming that all of the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Company has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time;
- (g) ~~(h)~~ the Organizational Documents of the Company and the corporate Books and Records;
- (h) ~~(i)~~ such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

8.4 Purchaser's Closing Deliverables

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, as applicable), the following:

- (a) payment of the Purchase Price in the form of an assumption of the Secured Debt;
- ~~(b) payment of the Closing Payment to the Monitor by wire transfer of immediately available funds;~~
- (b) ~~(c)~~ a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time; and

- (c) ~~(d)~~ such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 9 CONDITIONS OF CLOSING

9.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction;
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (d) Monitor's Certificate. The Monitor shall have delivered the Monitor's Certificate confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Company.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

9.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- ~~(a) Successful Bid. This Agreement shall have been designated as the Successful Bid in accordance with the terms of the SISP.~~
- (a) ~~(b)~~ Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.
- (b) ~~(c)~~ Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.3.
- (c) ~~(d)~~ No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 6.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (d) ~~(e)~~ No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.
- (e) ~~(f)~~ Employees. The Company shall have terminated, and shall have caused the other entities in the Humble Group to have terminated, the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees 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, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be Discharged pursuant to the Approval and Vesting Order.
- (f) ~~(g)~~ ResidualCo. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets, if any; and (iii) the Humble Group, its Business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after Closing the Business and property of the Humble Group shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (g) ~~(h)~~ Partial Termination of CCAA Proceedings. Upon Closing, the CCAA Proceedings shall have been terminated in respect of the Humble Group, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo.
- (h) ~~(i)~~ Disclaimer of Excluded Contracts. The Humble Group shall have sent notices of disclaimer for all known Excluded Contracts, and such known Excluded Contracts shall form part of the Excluded Assets.
- (i) ~~(j)~~ Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 9.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

9.3 Conditions Precedent in favour of the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 8.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 6.2 shall be true and correct in all material respects (i) as

of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 9.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided, however that any condition relating to the performance of covenants and agreements by the Purchaser with respect to the HCSHI Shares, HCSHI Documents or HCSHI Claims or Encumbrances may not be waived without approval of the Court. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 10 TERMINATION

10.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Company (with the consent of the Monitor) and the Purchaser;
- (b) by the Company (with the consent of the Monitor) or the Purchaser, if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Article 8, by the Outside Date and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party; or
- (c) by the Company (with the consent of the Monitor) or the Purchaser upon written notice to the other Party if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order is not obtained on or before March 15, 2024 (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1 ~~or 5.1(e)~~, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: ~~(a) this Section 10.2; and (b) Section 5.1 with respect to the Purchaser's entitlement to the Professional Fees. Notwithstanding the foregoing, if~~ If this Agreement is terminated by the Company pursuant to Section 10.1(b), ~~the Purchaser shall not be entitled to receive the Professional Fees and~~ nothing in this Agreement shall absolve the Purchaser of liability for the violation or breach giving rise to such termination.

ARTICLE 11 GENERAL

11.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of the ResidualCo) to comply with Applicable Law, the Purchaser shall, and shall cause the Company to, retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the ResidualCo, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

11.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

1000760498 Ontario Inc.
2 Bloor Street W, Suite 2006
Toronto, ON, Canada
M4W 3E2

Attention: Shawn Dym
Email: sdym@yorkplains.com

with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide St. W, Toronto, ON, Canada
M5H 4E3

Attention: Jasmine Lothian
Email: jlothian@blg.com

(b) in the case of the Company, as follows:

Humble & Fume Inc.
1 Eva Road, Suite 416
Etobicoke, Ontario M9C 4Z5

Attention: Jakob Ripshtein
Email: jakob@humbleandfume.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

Attention: Larry Ellis / Sam Massie
Email: lellis@millერთhompson.com / smassie@millერთhompson.com

(c) in each case, with a further copy to the Monitor as follows:

Deloitte Restructuring Inc.
Suite 200, 8 Adelaide Street West
Toronto, ON

M5H

0A9

Attention: Jordan Sleeth / Todd Ambachtsheer
Email: jsleeth@deloitte.ca / tambachtsheer@deloitte.ca

with a copy to:

CozensCozen O'Connor LLP
Bay Adelaide Centre, North Tower
Suite 2700, 40 Temperance Street
Toronto, ON M5H 0B4

Attention: Steven Weisz
Email: sweisz@cozen.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

11.3 Public Announcements

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Company in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company or any of its Affiliates under Applicable Laws or stock exchange rules, the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

11.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

11.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

11.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

11.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any material respect except by written instrument executed by the Company and the Purchaser and with the approval of the Monitor or the Court.

11.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

11.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

11.10 Assignment

- (a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Company, ResidualCo or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Company and the Monitor; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchaser.

11.11 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 assurances as may be reasonably necessary or desirable to give effect to this Agreement.

11.12 Counterparts

This Agreement 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 Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

11.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

11.14 Monitor’s Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor’s Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party’s counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith.

11.15 Monitor’s Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Company and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Humble Group and not in its personal or corporate capacity, will have no Liability, in its personal or corporate capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

1000760498 ONTARIO INC.

By: _____

Name: Shawn Dym

Title: President

I have authority to bind the Corporation.

HUMBLE & FUME INC.

By: _____

Name: Jakob Ripshtein

Title: Chief Executive Officer

I have authority to bind the Corporation.

[Acknowledged and agreed to in respect of the BOB Transaction by:](#)

HUMBLE & FUME INC. (MANITOBA)

Per: _____

Name: Jakob Ripshtein

Title: Chief Executive Officer

I have authority to bind the Corporation.

B.O.B HEADQUARTERS INC.

Per: _____

Name: Jakob Ripshtein

Title: Chief Executive Officer

I have authority to bind the Corporation.

EXHIBIT "A"
PRE-CLOSING REORGANIZATION

A. Pre-Closing Closings

1. ResidualCo shall be incorporated by the Company with nominal consideration for common shares and shall be added to the CCAA Proceedings as an Applicant, but shall take no other steps or actions in respect thereof.

B. Upon Closing of the BOB Transaction

The following steps shall be deemed to happen concurrently:

1. The BOB Shares shall be issued to the Purchaser, or its nominee or assignee.
2. The Excluded BOB and Excluded BOB Liabilities shall be transferred to and shall vest in ResidualCo and the BOB Approval and Vesting Order. All Claims attaching to the Excluded BOB Assets and Excluded BOB Liabilities shall continue to exist against ResidualCo and the Excluded BOB Assets, if any, shall be available to satisfy such Claims.

C. Upon Closing of the Transaction

The following steps shall be deemed to happen concurrently:

3. ~~1.~~ The Purchased Shares shall be issued to the Purchaser and the Consolidation and Cancellation shall be effected in accordance with Section 2.1 of this Agreement.
4. ~~2.~~ The Excluded Assets and Excluded Liabilities shall be transferred to and shall vest in ResidualCo pursuant to the Excluded Asset Bill of Sale, the Excluded Liabilities Assumption Agreement and the Approval and Vesting Order. All Claims attaching to the Excluded Assets and Excluded Liabilities shall continue to exist against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims.
5. ~~3.~~ The Corporation shall convey the ResidualCo Shares to the Monitor as agent and bare trustee for the holders of the Existing Shares immediately prior to the Consolidation and Cancellation.

SCHEDULE "A"
EXCLUDED ASSETS

1. Inventory sold in the ordinary course of Business in the Interim Period.
2. Excluded Contracts.

| **[Note: Balance of schedule to be completed prior to BOB Closing.]**

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a non-exhaustive list of Excluded Contracts:

1.

| **[Note: Balance of schedule to be completed prior to [BOB](#) Closing.]**

**SCHEDULE “C”
EXCLUDED LIABILITIES**

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time.
2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any court-ordered charge granted therein.
3. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.
4. All Liabilities to Terminated Employees whose employment with the Company is terminated on or before Closing, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law.
5. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.
6. Any and all Liabilities that are not Retained Liabilities.

| **[Note: Balance of schedule to be completed prior to BOB Closing.]**

**SCHEDULE “D”
PERMITTED ENCUMBRANCES**

1. Any and all security registered against the Humble Group in connection with the Secured Debt.

[Note: Balance of schedule to be completed prior to issuance of Approval and Vesting Order.]

**SCHEDULE “E”
PERMITS & LICENSES**

| Regulatory Authority | Authorization Type | Details | Licensee | Effective Date | Expiry Date | Registration Number |
|--|----------------------------|---|--------------------------------|-----------------------|--------------------|----------------------------|
| Alberta Gaming, Liquor & Cannabis | Cannabis Registration | Authorizes holder to operate in accordance with the provisions of the Gaming, Liquor and Cannabis Act and related Regulations | Humble Cannabis Solutions Inc. | March 29, 2023 | March 28, 2025 | 301973-1 |
| General Manager under the Cannabis Control and Licensing Act of British Columbia | Cannabis Marketing Licence | Authorizes holder to act as a marketing licensee to promote cannabis for the purpose of selling it | Humble Cannabis Solutions Inc. | November 10, 2023 | December 31, 2024 | CM000052 |

SCHEDULE "F"
~~SISP AND BIDDING PROCEDURES~~

~~{NTD: To be completed}~~

SCHEDULE "G"
RETAINED LIABILITIES

1. The Secured Debt.

[Note: Balance of schedule to be completed prior to BOB Closing.]

|

SCHEDULE “HG”
ASSUMED CONTRACTS

The following is a comprehensive list of Assumed Contracts:

|

[Note: Balance of schedule to be completed prior to BOB Closing.]

Document comparison by Workshare Compare on Tuesday, March 5, 2024
2:34:26 PM

| Input: | |
|---------------|---|
| Document 1 ID | iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/74653330/3 |
| Description | #74653330v3<Legal> - Stalking Horse Purchase Agreement (January 23, 2024) - Execution Version |
| Document 2 ID | iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/75477541/3 |
| Description | #75477541v3<Legal> - A+R Purchase Agreement (March 5, 2024) Execution Version |
| Rendering set | Standard |

| Legend: | |
|---------------------------|--|
| Insertion | |
| Deletion | |
| Moved from | |
| <u>Moved to</u> | |
| Style change | |
| Format change | |
| Moved deletion | |
| Inserted cell | |
| Deleted cell | |
| Moved cell | |
| Split/Merged cell | |
| Padding cell | |

| Statistics: | |
|----------------|-------|
| | Count |
| Insertions | 148 |
| Deletions | 93 |
| Moved from | 2 |
| Moved to | 2 |
| Style changes | 0 |
| Format changes | 0 |

| | |
|---------------|-----|
| Total changes | 245 |
|---------------|-----|

Appendix “C”
Revised Forecast

Humble & Fume Inc. and certain of its subsidiaries
Projected Statement of Receipts and Disbursements
For the Period February 26, 2024 to March 24, 2024
CAD \$000

| Projected Receipts and Disbursements | | | | | |
|---|-----------------|------------------|------------------|------------------|----------------|
| Amounts presented in CAD 000s | 3-Mar-24 | 10-Mar-24 | 17-Mar-24 | 24-Mar-24 | Total |
| Opening balance | 1,009 | 602 | 307 | 222 | 1,009 |
| Receipts | | | | | |
| Collection from sales and accounts receivables | 24 | 417 | 103 | 172 | 717 |
| Total Receipts | 24 | 417 | 103 | 172 | 717 |
| Disbursements | | | | | |
| Trade payables, cost of goods sold, operating costs and overheads | (121) | (291) | (138) | (115) | (665) |
| Payroll and benefits | (46) | (113) | - | (275) | (434) |
| Rent and utilities | (1) | (31) | (0) | (0) | (32) |
| Professional Fees | (264) | (276) | (50) | - | (590) |
| Total disbursements | (431) | (712) | (188) | (390) | (1,721) |
| Net cash change | (407) | (295) | (85) | (217) | (1,004) |
| Ending cash balance | 602 | 307 | 222 | 5 | 5 |

Appendix “D”

Summary of the Stalking Horse Bid re: BOB

| Term | Details |
|----------------------------------|---|
| Seller | Humble Manitoba |
| Purchaser | 1000760498 Ontario Inc., or its assignee or nominee |
| Transaction Structure | Reverse-vesting share purchase transaction. |
| Purchase Price | The assumption by the Purchaser of the portion of the Secured Debt allocated to the BOB Shares by the Purchaser, acting reasonably. |
| Purchased Shares | The Purchaser will purchase the common shares of BOBHQ. |
| Retained Assets | BOBHQ shall retain all of the Retained Assets owned by it on the Effective Date. |
| Excluded Assets | All of the Excluded Assets which are properties, rights, assets or undertakings of BOBHQ. |
| Retained Liabilities | Such Retained Liabilities that are liabilities owing by BOBHQ. |
| Excluded Liabilities | Any and all Excluded Liabilities relating to BOBHQ. |
| As is, Where is | The BOB Shares and the Retained Assets will be sold to the Purchaser on an “as is, where is” basis, subject only to the representations and warranties contained in the Purchase Agreement. |
| Key Conditions to Closing | The Court shall have issued and entered the BOB Approval and Vesting Order, which orders shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably. |
| Closing Date | March 8, 2024, or such earlier or later date as may be agreed by the Parties in writing. |

Appendix “E”

Summary of the Stalking Horse Bid re: Applicants Other Than BOB

| Term | Details |
|--|---|
| Seller | Humble Parent |
| Purchaser | 1000760498 Ontario Inc., or its assignee or nominee |
| Transaction Structure | Reverse-vesting share purchase transaction. |
| Purchase Price | The assumption by the Purchaser of all indebtedness owing by the Applicants owing under the DIP Loan, the DGC Debt and the Debenture Debt, (collectively, the “ Secured Debt ”) plus the value of the Retained Liabilities. As of the date on which the Purchase Agreement was executed (the “ Effective Date ”) the Secured Debt totaled \$3,727,978. |
| Purchased Shares | The Purchaser will purchase the common shares of Humble Parent in accordance with the Pre-Closing Reorganization. |
| Closing Payment | On the Closing Date, the Purchaser shall pay to the Monitor an amount equal to the sum of (i) Priority Payments, (ii) cash in an amount sufficient to satisfy any amounts owing that are secured by the Administration Charge and the Directors’ Charge, and (iii) the Administrative Wind-down Amount (defined below). Any unused portion of the Closing Payment shall be returned to the Purchaser. |
| Administrative Wind-down Amount | \$50,000 to be used to satisfy costs incurred by the Monitor and its advisors to administer ResidualCo, the Excluded Assets, the Excluded Liabilities and to wind-down and/or dissolve ResidualCo. |
| Professional Fees | The DIP Lender shall be entitled to repayment of all professional fees and disbursements incurred in connection with the Purchase Agreement to a maximum amount of \$75,000. |
| Retained Assets | All assets owned by the Applicants on the Effective Date and any assets acquired up to and including Closing, including the HCSHI Shares, equipment and personal property, Assumed Contracts, Permits and Licenses, Books and Records, Business and undertakings. |
| Excluded Assets | <ol style="list-style-type: none"> 1. Inventory sold in the ordinary course of Business in the Interim Period in accordance with the Initial Order; and 2. Excluded Contracts (as may be determined prior to Closing). |
| Retained Liabilities | <ol style="list-style-type: none"> 1. Such Liabilities as may be confirmed by the Purchaser prior to Closing; |

| | |
|------------------------------------|---|
| | <ol style="list-style-type: none"> 2. any Claim or Encumbrance by or in favour of a Person arising under or in connection with an HCSHI Document or relating to the HCSHI Shares; 3. The DIP Loan, the DGC Debt and the Debenture Debt; and 4. All liabilities related to the Business under any Assumed Contracts or Permits and Licenses forming part of the Retained Assets; <p>in each case solely in respect of the period from and after the Closing Time.</p> |
| <p>Excluded Liabilities</p> | <ol style="list-style-type: none"> 1. All debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Humble Group or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts; 2. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time; 3. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any court-ordered charge granted therein; 4. All Liabilities relating to or under the Excluded Contracts and Excluded Assets; 5. All Liabilities to Terminated Employees whose employment with the Company is terminated on or before Closing, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law; 6. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction; and |

| | |
|----------------------------------|--|
| | 7. Any and all Liabilities that are not Retained Liabilities. |
| As is, Where is | The Purchased Shares and the Retained Assets will be sold to the DIP Lender on an “as is, where is” basis, subject only to the representations and warranties contained in the Purchase Agreement. |
| Key Conditions to Closing | <ol style="list-style-type: none"> 1. The Court shall have issued and entered the Approval and Vesting Order, which orders shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably; and 2. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under such Licenses and Permits and such Licenses and Permits shall remain in good standing immediately following and notwithstanding closing. |
| Closing Date | No later than (10) ten Business Days after the conditions to Closing have been satisfied or waived, other than those that are to be satisfied or waived at the Closing. |

Appendix “F”
Williams Affidavit

**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 HUMBLE & FUME INC. (ONTARIO), HUMBLE &
FUME INC. (MANITOBA), B.O.B. HEADQUARTERS INC., FUME LABS
INC., HUMBLE CANNABIS SOLUTIONS INC., PWF HOLDCO INC., and
WINDSHIP TRADING LLC**

(the "Applicants")

AFFIDAVIT OF RICHARD WILLIAMS

(Sworn March 6, 2024)

I, **Richard Williams**, of the Town of Uxbridge, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President with Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as Court-appointed Monitor of the Applicants and, as such, have knowledge of the matters hereinafter deposed to.
2. Attached hereto as Exhibit "**A**" is a schedule summarizing each invoice attached hereto in Exhibit "**B**", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
3. Exhibit "**B**" is a true copy of the invoices issued by Deloitte for fees and disbursements incurred during the CCAA Proceedings between January 2, 2024 and March 4, 2024. The total fees charged by Deloitte during that period were \$265,457.50, plus disbursements of

\$482.83, administrative expenses of \$18,582.03, plus Harmonized Sales Tax (“HST”) in the amount of \$36,987.90 for a total of \$321,510.26.

4. Attached hereto as Exhibit “C” is a schedule summarizing the respective billing rates of each of the representatives of Deloitte who acted during the proceedings.
5. To the best of my knowledge, the rates charged by Deloitte throughout the course of these CCAA proceedings are comparable to those charged by other firms in Toronto for the provision of similar services.
6. The hourly billing rates outlined in Exhibit “C” to this affidavit are comparable to the hourly rates charged by Deloitte for services rendered in similar proceedings.
7. I make the affidavit in support of a motion by the Applicants for, among other things, approval of the fees and disbursements of the Monitor and its counsel.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 6th day of March, 2024.



A Commissioner for taking Affidavits (*or as may be*)



Richard Williams

Todd Jeffrey Ambachtsheer,
a Commissioner, etc., Province of Ontario,
for Deloitte LLP and Deloitte Restructuring Inc.
Expires September 9, 2024.

This is Exhibit "A" referred to in the Affidavit of Richard Williams
sworn March 6, 2024



Commissioner for Taking Affidavits (or as may be)

Todd Jeffrey Ambachtsheer,
a Commissioner, etc., Province of Ontario,
for Deloitte LLP and Deloitte Restructuring Inc.
Expires September 9, 2024.

This is Exhibit "B" referred to in the Affidavit of Richard Williams sworn March 6, 2024



Commissioner for Taking Affidavits (or as may be)

**Todd Jeffrey Ambachtsheer,
a Commissioner, etc., Province of Ontario,
for Deloitte LLP and Deloitte Restructuring Inc.
Expires September 9, 2024.**



Invoice 8004527731

Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Jakob Ripshtein, Chief Executive Officer
Humble & Fume Inc
1 Eva Road
Suite 416
Etobicoke ON M9C 4Z5
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: March 05, 2024
Client No.: 1347590
WBS#: HUM00720
Engagement Partner: Todd Ambachtsheer

GST/HST Registration: 122893605RT0001
QST Registration: 1012314163TQ0001

For professional services rendered

Fees

For professional services related to Deloitte Restructuring acting as CCAA Monitor to Humble & Fume Inc. In accordance with our engagement letter dated December 19, 2023

Please see attached appendices."

HST applicable 119,122.50

Expense

HST applicable 422.41
Administrative Expense 8,338.58

Sales Tax

HST at 13.00 % 16,624.85

Total Amount Due (CAD) 144,508.34

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004527731

March 05, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

| Client Name | Client# | Invoice# | Amount (CAD) | Comments |
|-------------------|---------|------------|--------------|--------------------------------|
| Humble & Fume Inc | 1347590 | 8004527731 | 144,508.34 | Payment for invoice 8004527731 |

Contact:

Please send payment confirmation by email to: receivablesdebitours@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory) :

Preferred Method

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Transit – Institution : 47696-002

Account Number : 1590219

USD Payment

Transit – Institution : 47696-002

Account Number : 1363514

2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Account Number : 476961590219

Swift Code : NOSCCATT

USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

Account Number : 476961363514

Swift Code : NOSCCATT

Clearing Code : CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

Account Number : 476961363514

Swift Code : BOFAUS3N

ABA Routing Number : 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to :

For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



**Appendix #1
Summary of Fees**

| Name | Level | Hours | Rate | Amount |
|--|----------------|--------------|-------------|-------------------|
| Ambachtsheer, Todd | Partner | 58.0 | 850.00 | 49,300.00 |
| Boghossian, Razmig | Partner | 10.0 | 850.00 | 8,500.00 |
| Meakin, Nigel | Partner | 2.0 | 850.00 | 1,700.00 |
| Sleeth, Jordan | Partner | 0.5 | 850.00 | 425.00 |
| Lam, Christopher | Senior Manager | 33.5 | 675.00 | 22,612.50 |
| Khemani, Bharat | Manager | 47.3 | 525.00 | 24,832.50 |
| Brown, Rose | Manager | 0.9 | 525.00 | 472.50 |
| Nazir, Arsalan | Staff | 15.0 | 400.00 | 6,000.00 |
| Valsadia, Neal | Staff | 12.0 | 400.00 | 4,800.00 |
| Conorton, Laura | Staff | 1.2 | 400.00 | 480.00 |
| Total Professional Hours and Fees | | 180.4 | | 119,122.50 |
| Out-of-pocket Expenses | | | | 422.41 |
| Total Fees and Expenses (CAD) | | | | 119,544.91 |



Appendix #2

Work performed from January 26, 2024 to March 04,2024

| Date | Name | Narrative | Hours |
|-------------|--------------------|--|--------------|
| 1/29/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 2.0 |
| 1/29/2024 | Khemani, Bharat | Tracking advertising updates on Insolvency Insider newsletter and website. Reviewing available opening bank balances as on 29th Jan. | 2.1 |
| 1/29/2024 | Valsadia, Neal | Performing outreach to potential known bidders; Uploading documents to the data room | 4.0 |
| 1/29/2024 | Lam, Christopher | Performing reach out to potential known bidders | 3.5 |
| 1/29/2024 | Ambachtsheer, Todd | calls re: Cabo; discuss SISP | 1.9 |
| 1/30/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 2.0 |
| 1/30/2024 | Khemani, Bharat | Reviewing payment request from the Company and comparing the same with weekly cashflow budget. | 1.9 |
| 1/30/2024 | Lam, Christopher | Performing reach out to potential known bidders | 1.0 |
| 1/30/2024 | Ambachtsheer, Todd | discussions re: SISP; discuss Turning Point | 2.4 |
| 1/31/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 2.0 |
| 1/31/2024 | Lam, Christopher | Performing reach out to potential known bidders | 1.5 |
| 1/31/2024 | Ambachtsheer, Todd | WEPPA discussions; discuss SISP | 2.1 |
| 2/1/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 2.0 |
| 2/1/2024 | Khemani, Bharat | Reviewing payment requests from the Company and comparing the same with weekly cashflow budgets. | 0.7 |
| 2/1/2024 | Valsadia, Neal | Performing outreach to potential known bidders | 2.0 |
| 2/1/2024 | Lam, Christopher | Performing reach out to potential known bidders | 1.0 |
| 2/1/2024 | Ambachtsheer, Todd | SISP discussions | 1.8 |
| 2/2/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 2.0 |
| 2/2/2024 | Lam, Christopher | Performing reach out to potential known bidders | 1.0 |
| 2/2/2024 | Ambachtsheer, Todd | call on Turning Point; SISP discussions | 3.2 |
| 2/5/2024 | Brown, Rose | Pull CCAA certificate and send to BH. | 0.1 |
| 2/5/2024 | Conorton, Laura | Website update | 0.1 |
| 2/5/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 1.0 |

Deloitte.

| Date | Name | Narrative | Hours |
|----------|--------------------|--|-------|
| 2/5/2024 | Ambachtsheer, Todd | Attend Court; discussions re: WEPPA; review WEPPA documents | 2.3 |
| 2/5/2024 | Lam, Christopher | Uploading documents to the data room and following up on non-disclosure agreements | 1.5 |
| 2/5/2024 | Khemani, Bharat | Working on WEPP calculations based on the data provided by the Company. Updating payment approval tracker. | 5.1 |
| 2/6/2024 | Conorton, Laura | Website update | 0.1 |
| 2/6/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 1.0 |
| 2/6/2024 | Ambachtsheer, Todd | SISP discussions; WEPPA correspondence; | 1.9 |
| 2/6/2024 | Lam, Christopher | Uploading documents to the data room and following up on non-disclosure agreements | 1.5 |
| 2/6/2024 | Khemani, Bharat | Finalizing WEPP calculations and resolving queries from Todd. | 1.1 |
| 2/7/2024 | Nazir, Arsalan | Following up with bidders and responding to queries | 1.0 |
| 2/7/2024 | Ambachtsheer, Todd | WEPPA; review actuals; discussions with creditors; discussions re: SISP | 2.1 |
| 2/7/2024 | Lam, Christopher | Uploading documents to the data room and following up on non-disclosure agreements | 1.5 |
| 2/7/2024 | Khemani, Bharat | Working on WEPP registration on Service Canada. | 0.6 |
| 2/8/2024 | Nazir, Arsalan | Following up with bidder and responding to queries | 1.0 |
| 2/8/2024 | Ambachtsheer, Todd | SISP discussions | 1.7 |
| 2/8/2024 | Valsadia, Neal | Following up with bidder and responding to queries | 2.5 |
| 2/8/2024 | Lam, Christopher | Uploading documents to the data room and following up on non-disclosure agreements | 1.5 |
| 2/8/2024 | Khemani, Bharat | Resolving few WEPP related queries with management and Todd. Updating actual cashflows for the previous 2 weeks. | 5.5 |
| 2/9/2024 | Nazir, Arsalan | Following up with bidder and responding to queries | 1.0 |
| 2/9/2024 | Lam, Christopher | Bidder discussions | 1.5 |
| 2/9/2024 | Ambachtsheer, Todd | call with M. Mackay; discussions re: SISP | 1.8 |
| 2/9/2024 | Valsadia, Neal | Following up with bidder and responding to queries | 0.5 |
| 2/9/2024 | Khemani, Bharat | Working on WEPP forms, cover letter and drafting Form 31. Approving payments request. | 7.1 |

Deloitte.

| Date | Name | Narrative | Hours |
|-----------|--------------------|---|-------|
| 2/12/2024 | Ambachtsheer, Todd | Discussions re: SISP; discuss payment approvals | 1.8 |
| 2/12/2024 | Lam, Christopher | Following up with bidder and responding to queries | 2.0 |
| 2/12/2024 | Khemani, Bharat | Registration of Forms 31 of the employees on Service Canada portal. | 2.1 |
| 2/13/2024 | Ambachtsheer, Todd | Discussions re vendor payments; discussions re SISP and bidder queries | 2.1 |
| 2/13/2024 | Valsadia, Neal | Following up with bidder and responding to queries; Following up on non-disclosure agreements | 3.0 |
| 2/13/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.0 |
| 2/13/2024 | Khemani, Bharat | Reviewing and approving payment requests. Updating WEPP related form 31 for employees on Service Canada portal. | 2.1 |
| 2/14/2024 | Ambachtsheer, Todd | Discussions with M. Mackay; discuss cash flows; SISP discussions with C Lam | 1.7 |
| 2/14/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.0 |
| 2/14/2024 | Khemani, Bharat | Updating WEPP form 31 for employees on the Service Canada portal. | 1.1 |
| 2/15/2024 | Ambachtsheer, Todd | Discussions re: SISP; review cash flows; creditor calls | 2.2 |
| 2/15/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.0 |
| 2/15/2024 | Khemani, Bharat | Updating cashflow for actuals for the previous week. Updating payment approval tracker. Reviewing and approving payment requests. Updating WEPP form 31 for few employees on the Service Canada portal. | 6.1 |
| 2/16/2024 | Ambachtsheer, Todd | Discussions re: SISP; forecast review; discuss creditor concerns | 2.3 |
| 2/16/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.5 |
| 2/19/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.5 |
| 2/20/2024 | Ambachtsheer, Todd | call with Gowlings; respond to creditors | 1.1 |
| 2/20/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.5 |
| 2/20/2024 | Khemani, Bharat | Updating WEPP form 31 for few employees on the Service Canada portal. | 0.6 |
| 2/21/2024 | Ambachtsheer, Todd | Calls on SISP | 2.7 |
| 2/21/2024 | Lam, Christopher | Following up with bidder and responding to queries | 1.5 |
| 2/22/2024 | Ambachtsheer, Todd | bidder calls | 1.0 |



| Date | Name | Narrative | Hours |
|-----------|--------------------|--|-------|
| 2/22/2024 | Lam, Christopher | Following up with bidder and responding to queries | 4.0 |
| 2/22/2024 | Khemani, Bharat | Updating cashflow actuals for the previous week and updating payment approval tracker. | 3.5 |
| 2/23/2024 | Brown, Rose | Discuss incoming wire for Sale proceeds, Prepare and send wire instruction to TA. Open RBC Trust Account. | 0.5 |
| 2/23/2024 | Ambachtsheer, Todd | discussions with bidders; emails to S. Weisz and others re: SISP | 3.2 |
| 2/23/2024 | Lam, Christopher | Following up with bidder and responding to queries | 3.0 |
| 2/23/2024 | Khemani, Bharat | Updating the status on the pending employees yet to submit their Form 31. | 0.5 |
| 2/25/2024 | Sleeth, Jordan | Review SISP bids and summary | 0.5 |
| 2/26/2024 | Boghossian, Boghos | Performing outreach to potential known bidders | 2.0 |
| 2/26/2024 | Ambachtsheer, Todd | draft Second Report; discussions re: cash flows | 2.5 |
| 2/26/2024 | Khemani, Bharat | Updating payment approval tracker. Updating WEPP Form 31 for few employees on the Service Canada portal. | 1.1 |
| 2/27/2024 | Boghossian, Boghos | Performing outreach to potential known bidders | 2.0 |
| 2/27/2024 | Ambachtsheer, Todd | update Second Report; discussions re: materials | 1.3 |
| 2/28/2024 | Boghossian, Boghos | Performing outreach to potential known bidders | 2.0 |
| 2/28/2024 | Ambachtsheer, Todd | call with Miller Thomson re: bifurcation of orders; discuss and draft emails re: settlement; update Second Report | 1.3 |
| 2/28/2024 | Khemani, Bharat | Updating cashflow actuals for the previous week. | 2.5 |
| 2/29/2024 | Boghossian, Boghos | Performing outreach to potential known bidders | 2.0 |
| 2/29/2024 | Ambachtsheer, Todd | Second Report; review Court materials | 4.1 |
| 2/29/2024 | Khemani, Bharat | Approving payment requests. Initial data preparation work for updating Statement of Receipts and Disbursements for the Monitor's report. | 1.5 |
| 3/1/2024 | Boghossian, Boghos | Performing outreach to potential known bidders | 2.0 |
| 3/1/2024 | Conorton, Laura | Recording receipt of funds for bid (Gowlings), trust administration, processing wire payment to Gowlings, return of bid funds | 1.0 |
| 3/1/2024 | Brown, Rose | Humble review wire requests documentation. | 0.3 |

Deloitte.

| Date | Name | Narrative | Hours |
|--------------|--------------------|---|--------------|
| 3/1/2024 | Ambachtsheer, Todd | calls with S. Weisz re: materials; review and provide comments on drafts of Orders, affidavit and Share Purchase Agreement; Second Report | 5.3 |
| 3/1/2024 | Khemani, Bharat | Drafting Statement of Receipts and Disbursements section for Monitor's report. | 2.1 |
| 3/2/2024 | Meakin, Nigel | Review Second Report | 2.0 |
| 3/4/2024 | Ambachtsheer, Todd | update report; calls re: process; review court materials | 4.2 |
| Total | | | 180.4 |



Invoice 8004527732

Deloitte Restructuring Inc.
Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Jakob Ripshtein, Chief Executive Officer
Humble & Fume Inc
1 Eva Road
Suite 416
Etobicoke ON M9C 4Z5
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: March 05, 2024
Client No.: 1347590
WBS#: HUM00720
Engagement Partner: Todd Ambachtsheer

GST/HST Registration: 122893605RT0001
QST Registration: 1012314163TQ0001

For professional services rendered

Fees

For professional services related to Deloitte Restructuring acting as CCAA Monitor to Humble & Fume Inc. In accordance with our engagement letter dated December 19, 2023

HST applicable 146,335.00

Expense

HST applicable 60.42
Administrative Expense 10,243.45

Sales Tax

HST at 13.00 % 20,363.05

Total Amount Due (CAD) 177,001.92

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8004527732

March 05, 2024

Use the following payment methods and ensure your payment contains the details provided in the example.

| Client Name | Client# | Invoice# | Amount (CAD) | Comments |
|-------------------|---------|------------|--------------|--------------------------------|
| Humble & Fume Inc | 1347590 | 8004527732 | 177,001.92 | Payment for invoice 8004527732 |

Contact:

Please send payment confirmation by email to: receivablesdebitours@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory) :

Preferred Method

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Transit – Institution : 47696-002

Account Number : 1590219

USD Payment

Transit – Institution : 47696-002

Account Number : 1363514

2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Account Number : 476961590219

Swift Code : NOSCCATT

USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

Account Number : 476961363514

Swift Code : NOSCCATT

Clearing Code : CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

Account Number : 476961363514

Swift Code : BOFAUS3N

ABA Routing Number : 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to :

For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP
c/o T04567C
PO Box 4567, Stn A
Toronto ON M5W 0J1

For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP
c/o T04567U
PO Box 4567, Stn A
Toronto ON M5W 0J1



**Appendix #1
Summary of Fees**

| Name | Level | Hours | Rate | Amount |
|--|----------------|--------------|-------------|-------------------|
| Ambachtsheer, Todd | Partner | 81.9 | 850.00 | 69,615.00 |
| Sleeth, Jordan | Partner | 12.1 | 850.00 | 10,285.00 |
| Lam, Christopher | Senior Manager | 24.0 | 675.00 | 16,200.00 |
| Brown, Rose | Manager | 6.3 | 525.00 | 3,307.50 |
| Khemani, Bharat | Manager | 63.1 | 525.00 | 33,127.50 |
| Nazir, Arsalan | Staff | 15.0 | 400.00 | 6,000.00 |
| Pandit, Arpana | Staff | 2.5 | 400.00 | 1,000.00 |
| Yadav, Kunal | Staff | 2.5 | 400.00 | 1,000.00 |
| Savla, Niddhi | Staff | 1.5 | 400.00 | 600.00 |
| Valsadia, Neal | Staff | 10.0 | 400.00 | 4,000.00 |
| Conorton, Laura | Staff | 3.0 | 400.00 | 1,200.00 |
| Total Professional Hours and Fees | | 221.9 | | 146,335.00 |
| Out-of-pocket Expenses | | | | 60.42 |
| Total Fees and Expenses (CAD) | | | | 146,395.42 |



Appendix #2

Work performed until January 26, 2024

| Date | Name | Narrative | Hours |
|-------------|--------------------|---|--------------|
| 1/2/2024 | Ambachtsheer, Todd | Review materials related to filing; calls with S. Weisz; review cashflow provided by M. Mackay; discussions with B. Khemani re: cash flows | 2.0 |
| 1/2/2024 | Khemani, Bharat | Review of cashflow projects. Following up on CAEA clearance. Call with lawyers (Millier) on the status of anticipated CCAA proceedings. | 4.2 |
| 1/2/2024 | Sleeth, Jordan | Planning call with MT and Cozens, debrief with T.Ambachtsheer; review filing materials, discuss same with T.Ambachtsheer. | 2.0 |
| 1/3/2024 | Ambachtsheer, Todd | Provide comments on filing materials; cash flow review; calls on cash flow; discussions with Miller Thomson re: timing; discussion of info needs related to statutory filings | 3.0 |
| 1/3/2024 | Khemani, Bharat | Review of cashflow projections and call with Matthew (CFO) on cashflow understanding. | 8.4 |
| 1/3/2024 | Sleeth, Jordan | Review filing materials, discuss with Todd; review monitor report comments; review DIP agreement and draft SISP. | 1.5 |
| 1/4/2024 | Ambachtsheer, Todd | Cash flow meetings; review and provide comments on filing materials; calls with Miller Thomson re: filing; arrange for website and email inbox and discuss same with B. Khemani; calls with Cozen | 5.0 |
| 1/4/2024 | Conorton, Laura | Website creation | 0.5 |
| 1/4/2024 | Khemani, Bharat | Comparing Cannabis industry database for benchmarking DIP terms. Also working on reviewing the 13-week management cash flow. Setting up project email address, toll free number and monitor's website. | 4.4 |
| 1/4/2024 | Sleeth, Jordan | Review affidavit and provide comments. | 1.0 |
| 1/5/2024 | Ambachtsheer, Todd | Attend Court; respond to creditor queries; calls with Miller Thomson; discuss materials with Cozen; discuss DIP and stalking horse bids; discuss notices and provisions of order with M. Mackay; review OSB forms | 4.0 |
| 1/5/2024 | Khemani, Bharat | On court call for CCAA proceedings. | 0.8 |
| 1/5/2024 | Sleeth, Jordan | Attend initial hearing, debrief with T. Ambachtsheer. | 0.5 |
| 1/7/2024 | Ambachtsheer, Todd | Calls on cash flow | 4.0 |
| 1/7/2024 | Sleeth, Jordan | Review draft SISP and comment. | 0.5 |
| 1/8/2024 | Ambachtsheer, Todd | Calls with Cozen re: Cabo; calls with McMillan and J3 re: Cabo investment; calls with C. Lam and R. Bhogissian re: SISP; call on SISP with H&F and Miller Thomson | 5.2 |

Deloitte.

| Date | Name | Narrative | Hours |
|-----------|--------------------|---|-------|
| 1/8/2024 | Conorton, Laura | Website updates, formatting | 0.5 |
| 1/8/2024 | Khemani, Bharat | At client's HO - working on multiple aspects like newspaper advertising, Creditors listing, Cashflow discussions. Setting up Data room facility with Firmex for SISP process. | 6.1 |
| 1/8/2024 | Lam, Christopher | Review SISP process and requirements with Monitor | 1.0 |
| 1/8/2024 | Sleeth, Jordan | Review Ripchstein affidavit, ARIO. | 0.8 |
| 1/9/2024 | Ambachtsheer, Todd | Call with McMillan re: Cabo funding; review financial statements; follow up on OSB forms; review of updated affidavit and court materials and comments thereon; discuss court materials with Cozen; discuss SISP with McMillan; discuss SISP with Chris and Raz | 5.8 |
| 1/9/2024 | Brown, Rose | Discuss Mailing of Notice. | 0.3 |
| 1/9/2024 | Khemani, Bharat | Setting up payment approval mechanism with CFO. Following up with finance team for creditors data (address, email ids). | 3.1 |
| 1/9/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 2.5 |
| 1/9/2024 | Pandit, Arpana | Researching appropriate proceedings implementing KERP on Insolvency Insider | 2.5 |
| 1/9/2024 | Savla, Niddhi | Preparation of SISP buyers list | 1.5 |
| 1/9/2024 | Sleeth, Jordan | Review monitor report, provide comments to T. Ambachtsheer; review SISP and provide comments. | 1.8 |
| 1/9/2024 | Valsadia, Neal | Drafting of SISP buyers list and teaser | 5.0 |
| 1/10/2024 | Ambachtsheer, Todd | Call on Cabo funding; calls on SISP with J3 and Humble; call with DIP lender; calls with S. Weisz | 5.8 |
| 1/10/2024 | Conorton, Laura | Website updates, formatting documents, correspondence with team on documents | 0.6 |
| 1/10/2024 | Khemani, Bharat | Coordinating with CFO for approving payments and with finance team creditors data. | 2.1 |
| 1/10/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.5 |
| 1/11/2024 | Ambachtsheer, Todd | Calls re: SISP and Cabo; discuss materials for court; draft First Report; respond to creditor queries; call with Miller Thomson; call with Cozen re: Cabo and SISP | 5.9 |
| 1/11/2024 | Brown, Rose | Discuss mailing, Update Creditor listing schedules for inputting in to Ascend and prepare of labels for mailing. Prepare labels for Creditors, Stuff Envelopes for Employees, prepare mail voucher and take mail to mail room. | 2.5 |
| 1/11/2024 | Conorton, Laura | Preparing mailing to creditors, team planning, reviewing creditor listings | 0.6 |

Deloitte.

| Date | Name | Narrative | Hours |
|-----------|--------------------|---|-------|
| 1/11/2024 | Khemani, Bharat | Mailing (physical and email) notice to creditors. Uploading creditors listing on Monitor's website. Updating Service list on Monitor's website. | 6.1 |
| 1/11/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.0 |
| 1/11/2024 | Sleeth, Jordan | Review creditor notice, discuss with T. Ambachtsheer re: stay extension matters. | 0.5 |
| 1/11/2024 | Valsadia, Neal | Drafting of SISP buyers list and teaser | 2.0 |
| 1/11/2024 | Yadav, Kunal | Preparation of SISP buyers list | 2.5 |
| 1/12/2024 | Ambachtsheer, Todd | Attend Court; arrange for materials to be posted to website and review same; discuss creditor inquiries with M. Mackay; respond to creditors; discuss stockholder agreement; discuss creditor notices; discuss cash flows | 5.5 |
| 1/12/2024 | Brown, Rose | Prepare labels and stuff envelopes for 10 Additional creditors. Save document on Q Drive. | 0.5 |
| 1/12/2024 | Khemani, Bharat | Coordinating with CFO for approval of vendor payment. Following up with Globe and Mail for newspaper advertisement. Updating service list on Monitor's website. Corresponding with creditors on their queries with respect to implication of CCAA on recoveries | 3.1 |
| 1/12/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.0 |
| 1/15/2024 | Ambachtsheer, Todd | Discuss supplier queries; discussions re: SISP and data room; discussions on buyer list and data room; call to P. Pathik re: stockholders; call with J3 re: stockholders; | 4.3 |
| 1/15/2024 | Brown, Rose | Prepare Affidavit of Mailing and uploading creditor listing into Ascend and save documents on Q Drive. | 1.1 |
| 1/15/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 3.0 |
| 1/15/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/15/2024 | Sleeth, Jordan | Call with T. Ambachtsheer re: SISP and DIP, preliminary review of same. | 0.5 |
| 1/16/2024 | Ambachtsheer, Todd | Calls on SISP; calls with M. Mackay re: suppliers; respond to creditors; follow up with OSB on forms; calls with J3 and McMillan re: Cabo; stakeholder email draft | 5.7 |



| Date | Name | Narrative | Hours |
|-------------|--------------------|---|--------------|
| 1/16/2024 | Brown, Rose | Review website for form 1 & 2 and review online submission. | 0.4 |
| 1/16/2024 | Khemani, Bharat | Updating Form 1 and Form 2 for OBS requirements. | 2.1 |
| 1/16/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.0 |
| 1/16/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/17/2024 | Ambachtsheer, Todd | Call on Cabo funding; discussions with DIP lender and BLG re: status; pre-call with McMillan re: funding; discussions re: cash flows; review First Report draft and discuss same; discuss OSB forms; emails re: SISP; calls with Cozen re: funding and status | 5.0 |
| 1/17/2024 | Brown, Rose | Complete the Affidavit of Mailings and importing of creditors into Ascend. | 0.9 |
| 1/17/2024 | Conorton, Laura | Website updates | 0.2 |
| 1/17/2024 | Khemani, Bharat | Updating cashflows for the actual transactions in the previous week and analyzing for any major impact on future projections. Updating service list on the Monitor's website. | 4.1 |
| 1/17/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.0 |
| 1/17/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/18/2024 | Ambachtsheer, Todd | Advance First Report; calls re: Cabo; discussions on SISP; calls with M. Mackay re: suppliers and CF; review teaser and provide comments on same; emails to suppliers; discuss ads to run | 4.1 |
| 1/18/2024 | Khemani, Bharat | Reviewing payment requests and coordinating with CFO to resolve queries for payment approval. Updating Service list to be updated on the Monitor's website. | 4.1 |
| 1/18/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/18/2024 | Sleeth, Jorden | Initial review of updated 1st report of Monitor. | 0.5 |
| 1/19/2024 | Ambachtsheer, Todd | Calls re: Cabo; discuss Court attendance; review and advance First Report; discussions with Cozen; discuss Windship claims; cash flow discussions; attend counsel call; all hands call on Cabo | 3.2 |
| 1/19/2024 | Brown, Rose | Estate Adm - Additional Mailing to 4 Creditors - Notice of CCAA. Revise Affidavit of Newspaper. | 0.5 |



| Date | Name | Narrative | Hours |
|-----------|--------------------|--|-------|
| 1/19/2024 | Khemani, Bharat | Following on Appointment notice advertisement in Globe and Mail. Coordinating with internal team members for mailing physical notices to creditors wherein email delivery got failed. | 2.1 |
| 1/19/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/22/2024 | Ambachtsheer, Todd | Discuss cash flows; discuss court attendance; review First Report; emails re: filing materials; discuss Windship creditor claim and review letter; follow up on Windship severance; review Cabo funding needs and discuss same | 2.7 |
| 1/22/2024 | Khemani, Bharat | Updating the cashflow projections and actualizing for immediate previous two weeks. Also, working on SISP advertising in Insolvency Insider newsletters. | 4.1 |
| 1/22/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 1.0 |
| 1/23/2024 | Ambachtsheer, Todd | Discuss and finalize First Report; call with Cassels re: Windship claim | 3.5 |
| 1/23/2024 | Khemani, Bharat | Working on cashflow MRL with the management and updating the weekly cashflow budget for Monitor's report. | 4.1 |
| 1/23/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 2.0 |
| 1/23/2024 | Sleeth, Jorden | QA review of 1st report and iterations, emails to T. Ambachtsheer re: same. | 2.5 |
| 1/24/2024 | Ambachtsheer, Todd | Attend court; discussions re: SISP; call with Cassels re: Windship; call with Corpay; call re: purchasing | 2.9 |
| 1/24/2024 | Conorton, Laura | Website updates | 0.3 |
| 1/24/2024 | Khemani, Bharat | Attending court call (agenda - SISP and Monitors report). Correspondence with creditors on their enquiries. | 1.6 |
| 1/24/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 3.0 |
| 1/24/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 1.0 |
| 1/25/2024 | Ambachtsheer, Todd | Discussions re: SISP; respond to creditors; discuss cash flows | 2.1 |
| 1/25/2024 | Brown, Rose | Scan and send mail to the Team. | 0.1 |
| 1/25/2024 | Khemani, Bharat | Correspondence with creditors on their enquiries. | 0.4 |
| 1/25/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 3.0 |
| 1/25/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |

Deloitte.

| Date | Name | Narrative | Hours |
|--------------|--------------------|--|--------------|
| 1/25/2024 | Valsadia, Neal | Drafting of SISP buyers list and teaser | 2.0 |
| 1/26/2024 | Ambachtsheer, Todd | Discuss NDA; discuss SISP; call with B. Ritchot and M. Shalhoub | 2.2 |
| 1/26/2024 | Conorton, Laura | Website updates | 0.3 |
| 1/26/2024 | Khemani, Bharat | Uploading SISP document on Monitor's website. Working on drafting SISP advertising content to be published on Insolvency Insider newsletter and website. | 2.2 |
| 1/26/2024 | Lam, Christopher | Drafting of SISP buyers list and teaser | 3.0 |
| 1/26/2024 | Nazir, Arsalan | Drafting of SISP buyers list and teaser | 2.0 |
| 1/26/2024 | Valsadia, Neal | Drafting of SISP buyers list and teaser | 1.0 |
| Total | | | 221.9 |

This is Exhibit "C" referred to in the Affidavit of Richard Williams
sworn March 6, 2024



Commissioner for Taking Affidavits (or as may be)

**Todd Jeffrey Ambachtsheer,
a Commissioner, etc., Province of Ontario,
for Deloitte LLP and Deloitte Restructuring Inc.
Expires September 9, 2024.**

Summary of Rates by Professional

| Professional | Level | Rate |
|-------------------|----------------|-------|
| Todd Ambachtsheer | Partner | \$850 |
| Nigel Meakin | Partner | \$850 |
| Jorden Sleeth | Partner | \$850 |
| Razmig Bhogossian | Partner | \$850 |
| Chris Lam | Senior Manager | \$675 |
| Rose Brown | Manager | \$525 |
| Bharat Khemani | Manager | \$525 |
| Arsalan Nazir | Staff | \$400 |
| Arpana Pandit | Staff | \$400 |
| Kunal Yadav | Staff | \$400 |
| Niddhi Savla | Staff | \$400 |
| Neal Valsadia | Staff | \$400 |
| Laura Conorton | Staff | \$400 |

Appendix “G”
Esslinger Affidavit

**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 THE COMPROMISE OR ARRANGEMENT OF
HUMBLE & FUME INC. (ONTARIO), HUMBLE & FUME INC. (MANITOBA), B.O.B.
HEADQUARTERS INC., FUME LABS INC., HUMBLE CANNABIS SOLUTIONS INC., PWF
HOLDCO INC., and WINDSHIP TRADING LLC**

AFFIDAVIT OF HEIDI ESSLINGER

I, Heidi N. Esslinger, of the City of Vancouver, in the Province of British Columbia, make oath and say:

1. I am a Lawyer with the law firm Cozen O'Connor LLP ("**Cozen O'Connor**") and, as such, have knowledge of the following matters.

2. Deloitte Restructuring Inc. (the "**Monitor**") was named as monitor of Humble & Fume Inc. (Ontario), Humble & Fume Inc. (Manitoba), B.O.B. Headquarters Inc., Fume Labs Inc., Humble Cannabis Solutions Inc., PWF Holdco Inc., and Windship Trading LLC (collectively, the "**Applicants**") pursuant to an Order of the Court dated January 5, 2024.

3. The Monitor retained Cozen O'Connor to advise with regards to matters related to the Monitor's appointment and the performance of its duties and powers.

4. Attached hereto and marked as **Exhibit "A"** to this affidavit is a statement of fees and disbursements with respect to the activities of Cozen O'Connor from December 27, 2023 to March 1, 2024 (the "**Invoices**"). Copies of the Invoices have been provided to the Monitor and I am advised by the Monitor that they have been received and consider the fees and disbursements fair and reasonable.

5. The total amount being claimed for the work performed by Cozen O'Connor is \$107,182.43 including \$107,157.34 for fees and \$25.09 for disbursements, inclusive of HST.

6. Attached hereto and marked as Exhibit "B" is a summary of the timekeepers whose services are reflected on the Invoices, including year of call, hourly rate, hours billed and fees billed, exclusive of HST.


7. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

8. This Affidavit is sworn in support of the Applicants' motion for, among other relief, approval of the activities, professional fees and disbursements of the Monitor and its counsel Cozen O'Connor in these proceedings.

SWORN remotely via videoconference, by Heidi N. Esslinger stated as being located in the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on this 6th day of March, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or
as may be)


HEIDI N. ESSLINGER

This is Exhibit "A" referred to in the
Affidavit of Heidi Esslinger
sworn before me, this March 6, 2024

A handwritten signature in blue ink that reads "Frances Kleuskens". The signature is written in a cursive style with a horizontal line underneath the name.

Commissioner for Taking Affidavits

Frances Kleuskens

LSO# 83964Q

March 4, 2024

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Re: Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA
proceedings
Our File No.: 00599691
Invoice No. 2505307

| | | | |
|---|-----------|------------------|------------|
| Fees for Professional Services: | \$ | 83,230.50 | CAD |
| HST 13.00% | \$ | 10,819.97 | CAD |
| Total amount of Invoice No.: 2505307 | \$ | 94,050.47 | CAD |

Total amount due upon receipt of bill

3694824 Deloitte Restructuring Inc.
 00599691 Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA proceedings

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 12/27/23 | SJW | Email and discussion with Todd Ambachtsheer, Deloitte regarding new matter. | 0.20 |
| 01/02/24 | SJW | Email and discussions with client regarding proposed appointment as Monitor. Email with Miller Thomson regarding proposed CCAA filing. Review and consider documents from Miller Thomson, including CCAA checklist, execution versions of the forbearance agreements, draft stalking horse purchase agreement, draft Initial Order and draft affidavit in support of CCAA filing. Review and consider draft DIP Term Sheet and email regarding draft cash flow forecasts. Attend all-hands zoom meeting to review matters relating to CCAA filing and next steps. Review and consider Corporate Structure Chart. Review and consider loan and security documents relating to DGC and Green Acre loans. | 4.60 |
| 01/02/24 | HNE | Review and consider various documents provided by Steven Weisz including draft initial order, CCAA checklist and affidavit of Jakob Ripshtein; | 0.30 |
| 01/03/24 | SJW | Follow up on preparation for CCAA filing and Court hearing January 5, 2024. Review and consider draft terms sheet and possible option to purchase shares of HC Solutions Holdings Inc. Review and consider draft of "General Q&A" and considering PR communications campaign/messaging to stakeholders. TEams call with proposed Monitor regarding proposed SISP and CCAA Filing (terms of Initial Order and requested relief on filing under CCAA). Working on SISP. Review and consider comments on draft court materials and DIP Term Sheet from proposed Monitor. Email with Debtor/proposed Monitor regarding DIP loan. | 2.80 |
| 01/03/24 | HNE | Review and consider email from Dilina Lallani with notes from meeting with Deloitte; | 0.20 |
| 01/03/24 | DL | Call with EY. | 0.40 |
| 01/03/24 | DL | Met with Steve to discuss case and instructions. | 0.20 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/04/24 | SJW | Review and consider revised draft court materials and press release. Provide comments on draft court materials. Attend Teams calls with proposed Monitor and Miller Thomson. Reviewing and considering Cash Flow Forecasts. Reviewing and considering final versions of Court materials. Review and consider comments from proposed Monitor on General Q&A. . Communications with Miller Thomson, Justice Conway and court regarding court hearing Friday, January 5, 2024. | 3.80 |
| 01/04/24 | HNE | Review and consider draft initial order and affidavit of Jakob Ripshtein; draft email to Steven Weisz with comments about draft documents and concerns about compliance with cannabis legislation; | 0.50 |
| 01/04/24 | DL | Saved initial order drafts and affidavit drafts to imanage. | 0.70 |
| 01/04/24 | DL | Meeting with Monitor. | 0.50 |
| 01/04/24 | DL | Finding precedents for H&F motion. | 1.10 |
| 01/04/24 | DL | Drafted SISP. | 2.70 |
| 01/04/24 | DL | Cash flow meeting. | 0.50 |
| 01/05/24 | SJW | Review and consider final versions of CCAA Application Materials and factum. Prepare for and attend court hearing for CCAA Initial Order and appointment of Monitor. Email and discussion with proposed Monitor regarding goods on consignment and HCS sales staff relocation and possible closure/windup of distribution business. Working on SISP. Reivewing endorsement of Justice Cavanagh and signed Initial Order. Review and consider revised press release and General Q&A. | 3.50 |
| 01/05/24 | DL | Attended court for approval of initial order. | 0.30 |
| 01/05/24 | DL | Drafted SISP. | 1.80 |
| 01/06/24 | HNE | Review draft SISP prepared by Dilina Lallani and provide comments; | 0.40 |
| 01/06/24 | DL | Draft SISP. | 1.90 |
| 01/07/24 | DL | Drafted Opinion Re: Security. | 3.80 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 01/08/24 | SJW | Review and consider media request and response from Monitor and debtors. Working on SISP and Stalking Horse Purchase Agreement. Email and discussion with Monitor regarding same. Email with Miller Thomson regarding SISP and Johnson Brothers/Cabo Connection relationship with Humble & Fume. Consider security documents and request for break fee/reimbursement for professional fees for Stalking Horse Bidder. Prepare for and attend Teams meeting with counsel for Johnson Brothers, representatives of Johnson Brothers and Monitor. Consider debtors' request to wind down HCS and review representation agreements. Email and discussion with Monitor regarding same. Email with A. Katznelson regarding corporate reorganization and share consolidation steps and structure as described in Stalking Horse Purchase Agreement. Review and consider draft SISP Approval Order, Amended and Restated Initial Order and draft affidavit No. 2 of Jakob Ripshtein. | 3.20 |
| 01/08/24 | AK | Correspondence with D. Lallani re purchase agreement; Review purchase agreement | 0.80 |
| 01/08/24 | RAM | Conduct Ontario PPSA search for "Humble & Fume Inc."; email to Heidi Esslinger regarding results; | 0.20 |
| 01/08/24 | HNE | Conference with Todd Ambachtsheer, Steve Weisz and Dilina Lallani to discuss revisions to the SISP; revise SISP; attend conference with Doug Peters, Larry Ellis, Steven Reeves, Todd Ambachtsheer, Wale Ronstom, Matthew Cressatti, Steven Weisz, Dillina Lallani, and Sam Massie to discuss the SISP; attend further meeting with Miller Thomson team to discuss next steps; review and consider PPSA search; | 2.00 |
| 01/08/24 | DL | Reviewed Monitor's comments on the SISP. | 0.30 |
| 01/08/24 | DL | Drafted opinion re: security. | 1.40 |
| 01/08/24 | DL | Met with A. Katznelson for opinion on the share structure of the Stalking Horse Agreement. | 0.50 |
| 01/08/24 | DL | Meeting with Monitor on changes to make on the SISP. | 0.40 |
| 01/08/24 | DL | H&F meeting with Monitor and Miller Thomson on status of file. | 1.20 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/09/24 | SJW | Working on draft court materials. Meeting with A. Katznelson regarding corporate reorganization under stalking horse purchase agreement and share issuance and consolidation steps and structure/process. Teams meeting with counsel for Johnson Brothers and Monitor. Consider terms of proposed KERP and discussion with Monitor regarding same. Consider examples of reverse vesting order share purchase agreements and related court materials/subscription agreements. Review and consider draft Cash Flow Forecasts and discussion with Monitor and email with debtors regarding same. Review and consider comments from counsel for Johnson Brothers on draft SISP. | 4.40 |
| 01/09/24 | AK | Meeting with S. Weisz and D. Lallani; Review purchase agreement | 1.60 |
| 01/09/24 | HNE | Review and consider email exchange between Steven Weisz and others re: comments on the draft amended and restated initial order, and the SISP order with KERP and proposed break fee; conduct research for precedent stalking horse agreements for Alex Katznelson re: corporate opinion on whether delisting is required; | 0.60 |
| 01/09/24 | DL | Reviewed PPSA searches of H&F and related entities in CCAA proceedings. Compared PPSA searches to the security agreements to ensure the security was valid and enforceable. Read and reviewed Monitor's first report draft. Read and reviewed Stalking Horse Agreement draft. Researched share purchase agreements for companies who restructured to compare to current draft stalking horse agreement. | 5.30 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 01/10/24 | SJW | Prepare for and attend Webex meeting with Monitor and counsel for Johnson Brothers with representatives of Johnson Brothers regarding Cabo funding matters. Prepare for and attend Teams meeting with Monitor and S. Dym regarding funding matters and stalking horse purchase agreement. Reviewing and considering comments of Monitor on Stalking Horse Agreement and providing further comments. Considering request by debtors to pay certain pre-filing claims of critical suppliers and reviewing email from company and cashflows regarding same. Review and consider Johnson Brothers proposal letter to Humble & Fume board for Cabo funding and proposed revisions to stockholder agreement. Working on revised language for SISP relating to Minority Shareholder Interest in Cabo opportunity with Monitor. Numerous emails with counsel for Johnson Brothers regarding CCAA process, comeback hearing and cashflow forecasts. Email with counsel for debtors regarding ongoing review and comments on stalking horse agreement. Review and consider documents from counsel for Johnson Brothers relating to Cabo and option structure. Email regarding and review and consider known potential bidder list. Working on draft Monitor's report and providing comments. Teams meeting in the evening to discuss status of documents, court materials and next steps. Review and consider comments from McMillan on stalking horse purchase agreement. | 5.30 |
| 01/10/24 | HNE | Review and consider application record and initial order for context on file; review and revise draft Monitor's report prepared by Deloitte and forward to Steve Weisz for his review; conference with Dilina Lallani to discuss next steps; attend meeting with Steve Weisz, Dilina Lallani, Todd Ambachtscheer, Larry Ellis, Matthew Cressatti and Shawn Dym to discuss the SISP and Cabo companies; | 3.30 |
| 01/10/24 | DL | Revised H&F Stalking Horse Agreement to add sections that contemplate priority and additional grounds for termination; read and reviewed most recent drafts of shareholders agreement, proposal/offer and monitor's report in preparation for meeting with client; call with Monitor, Miller Thomson, Green Acre, and DGC to discuss the SISP draft; call to discuss draft SISP and Johnson brothers proposal and stockholder agreement. | 4.50 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 01/11/24 | SJW | Email and discussion with Monitor regarding proposed language for SISP in relation to Minority Shareholder Interest in Cabo opportunity and working on proposed language to be included in SISP. Forward draft language to counsel for debtors, secured creditors and Johnson Brothers. Prepare for and attend Teams meeting with counsel for debtors, representatives of debtors and Monitor regarding Johnson Brothers funding proposal. Email and discussion with counsel for secured creditors. All hands(counsel/clients)Teams meeting to discuss status of documents and agreements and next steps. Discussion with counsel for debtors regarding court hearing January 12, 2024, request for extension of stay of proceedings and scheduling of court date to seek further relief(approval of SISP and stalking horse agreement, DIP and increase in priority charges). Email with Commercial List office regarding same. Review and consider motion record of debtors/applicants seeking extension of stay of proceedings to January 26, 2024. Follow up call with counsel for Johnson Bros. Review and consider decision of Quebec Superior Court (Commercial Division) in Arrangement relatif a Xebec Adsorption Inc. regarding vesting order regarding, amongst other assets, a 60% shareholding in Xebec Adsorption (Shanghai) Co., Ltd., and to assign the ancillary rights and obligations thereto under section 11.3 of the CCAA. | 4.80 |
| 01/11/24 | HNE | Conference with Jasmine Lathian, Dilina Lallani, Todd Amachsteer, Wael Rostom, Steven Reeves, Steven Weisz, Shawn Dym, Matthew Mckay, Mark Hubler, Matthew Cressati, Sam Massi, Larry Ellis, Alex MacFarlane to discuss SISP, Cabo funding and path forward; conference with Sam Massie, Todd Ambachsteer, Steven Weisz, Mattew Cressatti, Larry Ellis, and Dilina Lallani to debrief prior meeting, discuss court hearing tomorrow to extend the stay and other issues; conduct brief research on whether the court can assign a contract without the consent of a counterparty; | 2.50 |
| 01/11/24 | DL | Meeting with Monitor, Secured Creditor, Company, and counsel on the SISP draft, Cabo funding plans, and steps moving forward; meeting with Miller Thomson and Monitor on the draft SISP and funding for Cabo; Edited the Monitor's First Report; and call with Monitor, Larry Ellis, Jakob re SISP and steps moving forward. | 3.30 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 01/12/24 | SJW | Prepare for and attend Comeback Hearing before Justice Cavanagh. Review and consider endorsement and Order of Justice Cavanagh extending stay period to January 26, 2024. Email and numerous discussions with Monitor regarding stay extension, status of negotiation of revised stockholder agreement, SISP, Stalking Horse Agreement and matters for court hearing scheduled for January 22, 2024. Email and discussion with P. Pathak regarding status of negotiations of stockholder agreement with JThree Investments LLC. Email with J. Ripshtein regarding SISP potential bidders list. | 3.80 |
| 01/12/24 | HNE | Attend commercial list hearing for an order to extend the stay of proceedings; | 0.40 |
| 01/12/24 | DL | Reviewed case law on H&F shareholder disagreements; and attended court to extend stay period. | 1.20 |
| 01/15/24 | SJW | Reviewing and considering email from and discussion with counsel for Applicants regarding Cabo Funding, Sales Process, Stalking Horse Purchase Agreement and Stock Holder Agreement and position of Applicants. Email and discussion with M. Hubler J3 with Monitor regarding Cabo Funding, Stock Holder Agreement and Cabo Option. Assisting stakeholders with negotiations and resolution of outstanding matters for go forward process. Follow up with counsel for DIP Lender/Stalking Horse Bidder. Review and consider revised DIP Term Sheet and email with Monitor and counsel for Applicants regarding same. Working on DIP Term Sheet and SISP. Review and consider comments of counsel to DIP Lender/Stalking Horse Bidder on SISP. Review and consider comments of Monitor on draft SISP. | 3.60 |
| 01/15/24 | HNE | Revise SISP to include a separate section regarding the HCSHI opportunity and draft email to Steve Weisz attaching same and a blacklined version; review and consider various email exchanges regarding revisions to the SISP; | 0.60 |
| 01/15/24 | DL | Reviewed proposed DIP financing term sheet and related loan agreement with DGC. | 0.50 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/16/24 | SJW | Prepare for and attend Teams meeting with Monitor and Stalking Horse Bidder with its counsel to discuss the SISP, DIP Term Sheet, Stalking Horse Agreement, and other matters. Working on SISP and negotiations with J3 regarding Cabo Funding, Cabo Option and sale process for Minority Shareholder interest in Cabo. Working on Stalking Horse Agreement and reviewing and considering revised version from counsel for Applicants. Discussions with Monitor regarding same. Email with counsel for Applicants to advise on status of discussions with Stalking Horse Bidder and to forward comments on Stalking Horse Agreement. Email with AFG Distribution. Working on email to stakeholders from Monitor regarding work streams and draft documents to settle DIP Terms Sheet, SISP, Stock Holder Agreement and Stalking Horse Agreement and ongoing negotiations between parties. Review and consider with Monitor comments from counsel for DIP Lender on DIP Terms Sheet and forward to counsel for Applicants. Discussions with counsel for Applicants regarding same. | 5.80 |
| 01/16/24 | HNE | Conference with Alex MacFarlane, Jasmine Lothian, Shawn Dym, Steven Weisz, Dilina Lallani and Todd Ambachtscheer to discuss amendments to the DIP term sheet, the stalking horse agreement and the SISP; | 0.80 |
| 01/16/24 | DL | Reviewed most recent draft SISP, DIP, and Stalking Horse Agreement in preparation for meeting; meeting with Monitor and S. Dyme on SISP, DIP, and Stalking Horse drafts and required changes to be made; edited SISP pursuant to other counsel's comments. | 1.50 |
| 01/17/24 | SJW | Prepare for and attend Teams meetings with counsel for J3, J3 and Monitor regarding Cabo funding matters. Prepare for and attend Teams meetings with Company, counsel for Company, DIP Lender/Stalking Horse Bidder and counsel for DIP Lender/Stalking Horse Bidder regarding SISP, Cabo funding, DIP Term Sheet and Stalking Horse Agreement. Considering issues regarding termination of Windship employees. Negotiating resolution of outstanding issues with stakeholders including Cabo funding considerations. Review and consider email and notice of appearance of Canada Revenue Agency(CRA) and possible claims of CRA. Further revisions to SISP. | 4.80 |
| 01/17/24 | DL | Edited SISP to reflect most recent comments. | 0.80 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/18/24 | SJW | Preparing for and attending Teams meeting with J3, Company, DIP Lender/Stalking Horse Bidder with and without counsel to negotiate Cabo funding arrangements. Review and consider draft proposed letter setting out terms of Cabo funding arrangements. Reviewing and considering email and discussions with counsel for J3 with Monitor regarding SISP, DIP Term Sheet and Stalking Horse Agreement and email with counsel for Applicants and major stakeholders regarding status of documents and comments from various parties. Correspondence and discussion with counsel for Storz & Bickel America, Inc. and review and consider United States Supply and Distribution Agreement and UCC filing. Working with Monitor on review and revisions to SISP, DIP Term Sheet and Stalking Horse Agreement. Working on draft Monitor's Report. Discussion with counsel for Applicants and email correspondence with Court regarding vacating court time on Friday, January 19 and rescheduling for Wednesday, January 24. | 5.20 |
| 01/18/24 | HNE | Conference with Steven Weisz to discuss revisions to the draft Monitor's report; revise draft Monitor's report; review letter from Cassels, counsel to Storz & Bickel America, Inc, regarding the alleged secured interest in Winship; | 1.30 |
| 01/18/24 | DL | Edited Monitor's First Report to reflect comments from Monitor and other counsel. | 1.90 |
| 01/19/24 | SJW | Preparing for and attending Teams meetings with counsel for J3, DIP Lender and Applicants with and without clients regarding Cabo funding arrangements. Review and consider letter agreement relating to Cabo funding arrangements. Email with counsel for DIP Lender regarding CRA notice of appearance and claim. | 3.00 |
| 01/19/24 | HNE | Review and consider share transfer agreement for HCSHI shares and funding agreement between Humble and Fume, DIP Lender and Green Acre II; attend conference with Mark Hubler, Wael Rostom, Matthew Mackay, Shawn Dym, Steven Reeves, Doug Peters, Todd Ambachtscheer, Steven Weisz, Dilina Lallani, Jasmine Lothian to discuss share transfer agreement; | 0.50 |
| 01/19/24 | DL | Call to discuss and finalize stakeholder committee letter agreement. | 0.70 |
| 01/22/24 | FS | Research re D&O liability for unpaid severance in Texas (1.0); emails from/to S. Weisz re same (.1); emails from/to T. Ambachtsheer re same (.1) | 1.20 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/22/24 | SJW | Reviewing and providing comments on draft court materials to counsel for Applicants. Reviewing and considering correspondence and documentation from counsel for Storz & Bickel regarding secured claim over inventory supplied to Windship in Texas and proceeds and response from counsel for Applicants. Working on security review. Continued review and negotiation of DIP Terms Sheet and Stalking Horse Agreement. Email regarding proposed payments of severance to Texas employees. | 5.20 |
| 01/22/24 | HNE | Review and consider email exchange between Todd Ambachtsheer, Steven Weisz and Erik Schmidt regarding director and officer liability for unpaid wages in Texas; review and consider various revisions of the SISP and stalking horse purchase agreement circulated with counsel for the applicant companies; revise Monitor's report; draft security opinion; conference with Steven Weisz and Dilina Lallani to discuss revisions to the draft security opinion; review and consider draft third affidavit of Jakob Ripshtein and amended and restated initial order; draft email to Todd Ambachsteer summarizing key changes to the amended and restated initial order; | 4.40 |
| 01/22/24 | DL | Drafted Security Opinion for client. Checked for and reviewed most recent versions of the SISP, DIP, Term Sheet, and Stalking Horse Agreement. | 3.80 |
| 01/23/24 | SJW | Numerous zoom meetings, calls and email correspondence regarding and working on finalization of DIP Term Sheet, Sales and Investment Solicitation Process and Stalking Horse Agreement and Monitor's Report. Dealing with issues raised by counsel for Storz & Bickel regarding inventory supply security in Texas. Reviewing and considering motion materials of applicants and factum. Reviewing and considering and providing comments on draft orders to be sought at court hearing on January 24, 2024. Arranging for service and filing of Monitor's Report. Numerous discussions with Monitor regarding Monitor's Report. | 9.20 |
| 01/23/24 | HNE | Attend conference calls with Natalie Levine, David Ward, Mathew Cressatti, Larry Ellis, Steven Weisz and Dilina Lallani to discuss Storz & Bickel's alleged secured interest in Windship's proceeds and concerns about the proposed DIP financing; review and consider email exchange between parties regarding comments from Wael Rostom on behalf of JThree objecting to the wording of the consent and approval provisions of the SISP; | 0.80 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|---|--------------|
| 01/23/24 | DL | Call with Windship; compiled all materials; edited monitors report (consolidated Cozen, MT, and Monitor's comments); edited SISP; call re: Storz & Bickel with Miller Thomson; prepared Monitor's Report and Appendices; filed and served the Monitor's materials. | 8.00 |
| 01/24/24 | SJW | Prepare for and attend court hearing for approval of DIP Term Sheet, Sales and Investment Solicitation Process, Stalking Horse Agreement and extension of stay. Prepare for and attend Teams meeting with counsel for Storz & Bickel to negotiate terms of Orders and approval of DIP Term Sheet. | 2.00 |
| 01/24/24 | HNE | Attend conference with Matthew Cressati, Steven Weisz, David Ward, Natalie Levine, Larry Ellis, Todd Ambachtscheer and Dilina Lallani to discuss various concerns of Storz & Bickle regarding the proposed SISP and DIP financing; conference with Matthew Cressati, Alex McFarlane, Steven Weisz, and David Ward to discuss the proposed amendments to the SISP order; review newly filed and served ARIO and SISP order; attend court on behalf of the Monitor to obtain ARIO and SISP order; | 1.20 |
| 01/24/24 | DL | Read and reviewed the JThree letter; meeting with Storz & Bickel's counsel in preparation for the court hearing for their comments on the hearing materials, including the DIP, SISP, Stalking Horse Agreement; Meeting with BLG on Storz & Bickel's position; attended court hearing for SISP/Stalking Horse approval. | 2.50 |
| 01/25/24 | HNE | Review and revise non-disclosure and confidentiality agreement; | 0.80 |
| 01/25/24 | DL | Reviewed non-disclosure and confidentiality agreement drafted by Miller Thomson to the receiver and provided comments. | 2.40 |
| 01/26/24 | AK | Review and amend Confidentiality and Non-Disclosure Agreement; Correspondence with S. Weisz and D. Lallani re the same | 2.30 |
| 01/26/24 | HNE | Attend brief conference with Todd Storms, Steven Weisz, and Dilina Lallani to discuss revisions to the draft non-disclosure agreement; amend non-disclosure agreement to include agreed upon changes; | 0.70 |
| 01/26/24 | DL | Reviewed draft NDA and provided comments to the monitor. Call with Monitor to discuss comments. Edited NDA and sent to Miller Thomson and Monitor. | 1.50 |

| Date | Initials | Description of Services | Hours |
|----------------------------|-----------------|---|---------------|
| 01/29/24 | SJW | Review and consider issued SISP Approval Order and Amended and Restated Initial Order. Email with Monitor and counsel for Applicants regarding and consider issues regarding Cabo funding requests. Email regarding motion for authorization to pay WEPPA claims and email with court regarding scheduling matters. Email regarding documentation for data room and consultation with JThree regarding information relating to Cabo for dataroom. | 0.80 |
| 01/31/24 | SJW | Review and provide comments on draft motion materials of Applicants seeking declaration that Humble Cannabis Solutions Inc. and its former employees meet the criteria prescribed under the Wage Earner Protection Program(WEPPA) and are individuals to whom the WEPPA applies. Email and discussion with Monitor regarding supplier matters. Reviewing and considering supplier consignment agreement. | 0.50 |
| Total Hours Billed: | | | 159.50 |

Time And Fee Summary

| Timekeeper | Rate | Hours | | Fees |
|-------------------|-------------|---------------|------------|------------------|
| Weisz, S. J | 790.00 | 76.30 | C\$ | 60,277.00 |
| Weisz, S. J | 750.00 | 0.20 | C\$ | 150.00 |
| Katznelson, A. | 495.00 | 4.70 | C\$ | 2,326.50 |
| Schmidt, F. | 1,265.00 | 1.20 | C\$ | 1,518.00 |
| Esslinger, H. N | 340.00 | 21.30 | C\$ | 7,242.00 |
| Milligan, R. A | 205.00 | 0.20 | C\$ | 41.00 |
| Lallani, D. | 210.00 | 55.60 | C\$ | 11,676.00 |
| Totals: | | 159.50 | C\$ | 83,230.50 |

March 4, 2024

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Re: Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA
proceedings
Our File No.: 00599691
Invoice No. 2505307

| | | | |
|---|-----------|------------------|------------|
| Fees for Professional Services: | \$ | 83,230.50 | CAD |
| HST 13.00% | \$ | 10,819.97 | CAD |
| Total Amount of Invoice No.: 2505307 | \$ | 94,050.47 | CAD |

Cheque:

Cozen O'Connor LLP
C/O T10540
PO BOX 4388, STN A
Toronto, ON M5W 3S1
Canada

ACH/Wire Transfer:

Account Name: Cozen O'Connor LLP Operating
Account No: 47696 15616 18 (CAD payments)
Transit No: 47696
Institution No: 002
Bank Name: Bank of Nova Scotia
Bank Address: P.O. Box 4234 STN A
Toronto, ON, M5W 5P6
Canada

Swift Code*: NOSCCATT

*Only needed for international transfers.

Please email notification of electronic payments to payments@cozen.com

HST: 761347137

Total amount due upon receipt of bill



March 4, 2024

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Re: Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA
proceedings
Our File No.: 00599691
Invoice No. 2505557

| | | | |
|---|-----------|------------------|------------|
| Fees for Professional Services: | \$ | 11,599.00 | CAD |
| HST 13.00% | \$ | 1,507.87 | CAD |
| Disbursements: | | | |
| Taxable Disbursements: | \$ | 22.20 | CAD |
| HST 13.00% | \$ | 2.89 | CAD |
| Total amount of Invoice No.: 2505557 | \$ | 13,131.96 | CAD |

Total amount due upon receipt of bill

3694824
00599691

Deloitte Restructuring Inc.
Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA
proceedings

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 01/29/24 | HNE | Review email exchanges between Matthew Cressatti and the Commercial List regarding scheduling of a motion for a declaration that Humble Cannabis Solutions meets the criteria in the WEPP program; review email from Miller Thomson serving copies of the entered further revised SISP approval order and the Amended and Restated Initial Order dated January 24, 2024; | 0.20 |
| 01/31/24 | HNE | Review and consider draft notice of motion, draft order and affidavit in connection with the application for a WEPP declaration set for hearing on February 5th; draft email to Steven Weisz with comments on same; review email correspondence between Steven Weisz and Todd Ambachtscheer regarding Turning Point as a critical supplier; | 0.80 |
| 02/01/24 | SJW | Review and consider motion materials and factum for declaration that Wage Earner Protection Program applies to Humble Cannabis Solutions and its employees and for authority to pay pre-filing amounts to critical suppliers. Email with Monitor and counsel for Applicants regarding same. | 0.60 |
| 02/01/24 | HNE | Review motion record and factum of the applicants returnable February 5, 2024 before Justice Cavanaugh for WEPP recognition; | 0.30 |
| 02/05/24 | SJW | Prepare for and attend court hearing before Justice Cavanaugh for declaration that Wage Earner Protection Program applies to Humble Cannabis Solutions and its terminated employees. Email with counsel for Applicants. Review and consider endorsement and Order of Justice Cavanaugh. | 0.50 |
| 02/05/24 | HNE | Attend court hearing regarding applicants' motion to approve WEPP administration by the Monitor; | 0.40 |
| 02/05/24 | DL | Attended court for the approval of the WEPP. | 0.40 |
| 02/13/24 | SJW | Working on opinion on security and follow up on sales process matters. | 0.80 |
| 02/15/24 | SJW | Email regarding status of sales process and request to extend date for offers under sales process. Prepare for and attend Teams meeting with J3 and counsel with Monitor. | 0.60 |

| Date | Initials | Description of Services | Hours |
|-------------|-----------------|--|--------------|
| 02/20/24 | SJW | Email with Monitor regarding request for extension of bid deadline by potential bidder. Review SISP and consider extension request. Prepare for and attend Teams meeting with Monitor and counsel for potential bidder regarding request for extension of bid deadline. Email counsel for debtors and counsel for potential bidder regarding word version of execution copy of stalking horse agreement. | 0.80 |
| 02/22/24 | SJW | Email with Monitor and DIP Lender regarding Cabo option. Consider terms of SISP and possible structure of offers under sales process and considerations in respect of stalking horse agreement, bids for all or parts of business of debtors. | 0.60 |
| 02/22/24 | HNE | Conference with Dilina Lallani to discuss research question from Todd Ambachtscheer regarding hiving off BCB from the transaction under the SISP; review and consider email from Dilina Lallani regarding her research findings; | 0.60 |
| 02/22/24 | DL | Research for the Monitor on the ability hive off B.O.B. under the SISP and what the requirements to do so are. | 1.60 |
| 02/23/24 | SJW | Email regarding results of SISP and bid deadline and discussion with Monitor regarding same. | 0.50 |
| 02/23/24 | HNE | Review and consider bids and draft email to Applicants regarding the two bids received in the sales and investment solicitation process; | 0.30 |
| 02/24/24 | SJW | Reviewing and considering offers. Review and revise draft email message from Monitor to counsel for Applicants regarding results of SISP and offers received at bid deadline. Email with Monitor. | 0.50 |
| 02/25/24 | SJW | Email and conference call with Monitor and Applicants with counsel regarding offers received at bid deadline and results of SISP and next steps to seek court approval of stalking horse agreement. Follow up with counsel for stalking horse bidder and review and revise draft email from Monitor regarding same. | 0.80 |
| 02/25/24 | HNE | Attend meeting with Tod Ambachtscheer, Larry Ellis, Jakob Ripshtein, Matthew McKay, Steven Weisz, Dilina Lallani and Matthew Cressatti to discuss next steps; | 0.30 |
| 02/25/24 | DL | Call with Miller Thomson and company to discuss and evaluate the bids received and steps moving forward to enable closing. | 0.50 |
| 02/26/24 | SJW | Email regarding results of SISP, Stalking Horse Agreement as winning bid, court hearing for approval of Stalking Horse Agreement and next steps. | 0.40 |

| Date | Initials | Description of Services | Hours |
|----------------------------|-----------------|--|--------------|
| 02/27/24 | SJW | Email to bidders and stakeholders regarding results of SISP and court date for approval motion. Review and consider draft closing agenda. | 0.40 |
| 02/27/24 | HNE | Review and consider closing agenda circulated by counsel for the Applicants; | 0.10 |
| 02/28/24 | SJW | Email with bidders and Monitor. Teams meeting with Monitor and Applicants regarding sales approval motion, closing and ancillary relief to be requested from Court. | 0.60 |
| 02/28/24 | HNE | Attend conference with Sam Massie, Jasmine Lothian, Todd Amachtscheer, Steven Weisz, Dilina Lallani, and Larry Ellis to discuss closing agenda and various issues; | 0.60 |
| 02/28/24 | DL | Call with Monitor and other counsel to discuss closing matters. | 0.40 |
| 02/28/24 | DL | Reviewed and provided comments on draft motion materials, including notice of motion, affidavit of Jakob Ripshtein No. 5, approval and vesting order, and CCAA termination order. | 1.00 |
| 02/29/24 | SJW | Reviewing and providing comments on draft court materials seeking approval of stalking horse agreement and order terminating CCAA. Email and discussion with Monitor regarding same. Email with counsel for stalking horse bidder and Applicants regarding revisions to stalking horse agreement(2 step process) and reviewing revised stalking horse agreement. | 1.40 |
| 02/29/24 | HNE | Review, consider and comment on the draft Approval and Reverse Vesting Order, Termination Order and Affidavit of Jakob Ripshtein provided by Miller Thomson; conference with Steven Weisz and Dilina Lallani to discuss Todd Ambachtsheer's comments on the draft materials; revise materials to include comments of Steven Weisz; conference with Steven Weisz regarding concerns that the affidavit is deficient of evidence to meet the Harte factors for approving a reverse vesting order; draft email to Todd Ambachtsheer with revised draft materials; | 4.10 |
| 02/29/24 | DL | Reviewed monitor's and MT's draft vesting order, termination order, and affidavit. Provided comments. | 1.30 |
| 03/01/24 | SJW | Email and discussion with Monitor regarding sales approval process and court report. Reviewing and providing comments on revised Stalking Horse Agreement(two step process) and revised court materials. | 1.40 |
| 03/01/24 | HNE | Review and consider various email exchanges between the parties regarding revisions to the draft court materials; | 0.20 |
| Total Hours Billed: | | | 23.00 |

Time And Fee Summary

| Timekeeper | Rate | Hours | | Fees |
|-------------------|-------------|--------------|------------|------------------|
| Weisz, S. J | 790.00 | 9.90 | C\$ | 7,821.00 |
| Esslinger, H. N | 340.00 | 7.90 | C\$ | 2,686.00 |
| Lallani, D. | 210.00 | 5.20 | C\$ | 1,092.00 |
| Totals: | | 23.00 | C\$ | 11,599.00 |

| Date | Disbursements | | Value |
|-------------|---|------------|--------------|
| 01/31/24 | Vendor: ESC Corporate Services Ltd.; Invoice#: 155365; Date: 1/31/2024 - LEV Pre Search - Humble & Fume Inc. | C\$ | 1.00 |
| 01/31/24 | Vendor: ESC Corporate Services Ltd.; Invoice#: 155365; Date: 1/31/2024 - Debtor Search - HUMBLE & FUME INC. | | 13.20 |
| 01/31/24 | Vendor: ESC Corporate Services Ltd.; Invoice#: 155365; Date: 1/31/2024 - Debtor Search - HUMBLE & FUME INC. | | 8.00 |
| | Total Disbursements: | C\$ | 22.20 |

March 4, 2024

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Re: Deloitte Restructuring Inc. as Monitor of Humble & Fume Inc. Re CCAA
proceedings
Our File No.: 00599691
Invoice No. 2505557

| | | | |
|---|-----------|------------------|------------|
| Fees for Professional Services: | \$ | 11,599.00 | CAD |
| HST 13.00% | \$ | 1,507.87 | CAD |
| Disbursements: | | | |
| Taxable Disbursements: | \$ | 22.20 | CAD |
| HST 13.00% | \$ | 2.89 | CAD |
| Total Amount of Invoice No.: 2505557 | \$ | 13,131.96 | CAD |

Cheque:

Cozen O'Connor LLP
C/O T10540
PO BOX 4388, STN A
Toronto, ON M5W 3S1
Canada

ACH/Wire Transfer:

Account Name: Cozen O'Connor LLP Operating
Account No: 47696 15616 18 (CAD payments)
Transit No: 47696
Institution No: 002
Bank Name: Bank of Nova Scotia
Bank Address: P.O. Box 4234 STN A
Toronto, ON, M5W 5P6
Canada
Swift Code*: NOSCCATT


*Only needed for international transfers.

Please email notification of electronic payments to payments@cozen.com

HST: 761347137

Total amount due upon receipt of bill

This is Exhibit "B" referred to in the
Affidavit of Heidi Esslinger
sworn before me, this March 6, 2024



Commissioner for Taking Affidavits

Frances Kleuskens

LSO# 83964Q

EXHIBIT B

Time and Fee Summary

Attached hereto is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed.

| Timekeeper | Year of Call | Rate | Hours | Fees |
|---------------------------|----------------------|---------------|--------------|--------------|
| Weisz, Steven | 1990 | C\$750 (2023) | 0.20 | C\$150.00 |
| Jonathan | | C\$790 (2024) | 86.20 | C\$68,098.00 |
| Schmidt, Frederick | 1994 | \$1,265 | 1.20 | C\$1,518.00 |
| Katznelson, Alexander | 2016 | C\$495 | 4.70 | C\$2,326.50 |
| Esslinger, Heidi Nozoe | 2022 | C\$450 | 29.20 | C\$9,928.00 |
| Lallani, Dilina | Articling Student | C\$210 | 60.80 | C\$12,768.00 |
| Milligan, Ryliegh A. | Paralegal | \$205 | 0.20 | C\$41.00 |
| Totals | | | 182.5 | C\$94,829.50 |

Appendix "B"
Form of Non-Disclosure Agreement

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT entered into as of the ● day of January, 2024 (this “Agreement”)

AMONG:

HUMBLE & FUME INC., a corporation formed pursuant to the laws of the Province of Ontario (the “**HF Ontario**”);

HUMBLE & FUME INC., a corporation formed pursuant to the laws of the Province of Manitoba (“**HF Manitoba**”);

PWF HOLDCO, INC., a corporation formed pursuant to the laws of the State of Delaware (“**PWF**”);

WINDSHIP TRADING LLC, a corporation formed pursuant to the laws of the State of Texas (“**Windship**”);

B.O.B. HEADQUARTERS INC., a corporation formed pursuant to the laws of the Province of Manitoba (“**BOB**”);

FUME LABS INC., a corporation formed pursuant to the laws of the Province of Ontario (“**Fume**”); and

HUMBLE CANNABIS SOLUTIONS INC., a corporation formed pursuant to the laws of the Province of Ontario (“**HCSI**” and, together with HF Ontario, HF Manitoba, PWF, Windship, BOB and Fume, collectively, the “**Disclosing Parties**”);

- and -

●, a ● under the laws of ● (the “**Recipient**”)

- and -

DELOITTE RESTRUCTURING INC., solely in its capacity as the court-appointed Monitor of the Disclosing Parties (in such capacity, the “**Monitor**”, and collectively with the Disclosing Parties and the Recipient, the “**Parties**” and each a “**Party**”) and not in its personal or corporate capacity

WHEREAS:

- A. On January 5, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pronounced an initial order in respect of the Disclosing Parties (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended. The Initial Order

commenced restructuring proceedings in respect of the Disclosing Parties and appointed Deloitte Restructuring Inc. as the Monitor of the Disclosing Parties.

- B. On January 24, 2024, the Court pronounced an order, among other things, approving a sale and investment solicitation process (the “SISP”) and authorizing the Monitor to run the SISP for the purposes of soliciting interest in, and opportunities for, one or more of any combination of: (i) a restructuring, recapitalization or other form of reorganization of the business and affairs of the Disclosing Parties as a going concern; or (ii) a sale of all, or substantially all of the Disclosing Parties’ assets and/or business operations as a going concern or otherwise (iii) or some combination thereof (together, the “**Opportunity**”).
- C. The marketing phase of the SISP commenced or will commence on or about January 24, 2024.
- D. In connection with the SISP, the Disclosing Parties wish to share the Confidential Information (defined below) with the Recipient in connection with the Opportunity and in order to facilitate a bid from the Recipient in the SISP in connection with a potential negotiated transaction among the Disclosing Parties and the Recipient (the “**Transaction**”).
- E. The Disclosing Parties have agreed to disclose, and the Recipient wishes to receive, Confidential Information (defined below) on the condition that the information be retained in confidence by the Recipient and dealt with according to this Agreement.

NOW THEREFORE in consideration of the disclosure of the Confidential Information (defined below), and of the mutual covenants and agreements of the Parties contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Whenever used in this Agreement the following words and terms shall have the meanings set out below:
 - (a) “**Affiliate**” means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, “control” (including with correlative meanings, “controlling”, “controlled by” and “under common control with”) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership as applicable;
 - (b) “**Confidential Information**” means any and all information acquired by the Recipient or its Representatives from or on behalf of the Disclosing Parties, their Related Parties, or their Representatives in the course of the Recipient’s consideration of a Transaction (including information acquired prior to the execution of this Agreement) and related to the Disclosing Parties or their businesses, which shall include, without limitation, all agreements, documents, files, correspondence, financial information, forecasts, reports, models, data and compilations, client personal and financial information, whether provided in oral, written or electronic form, together with analyses, interpretations, compilations, data, studies, notes and any documents prepared by or on behalf of the Recipient and its Representatives containing or based upon, in whole or in part, information acquired by the

Recipient and its Representatives hereunder. Further, and without limiting the generality of the foregoing, the term “Confidential Information” includes the fact that the Disclosing Parties, their Related Parties, and their Representatives have furnished information and documents and other materials to the Recipient, and the existence, nature, content, terms, conditions and status of discussions or negotiations between the Disclosing Parties (including its Representatives) and the Recipient with respect to a Transaction;

- (c) “**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, corporation, union, governmental entity or authority and, where the context requires, any of the foregoing when they are acting as heir, trustee, executor, administrator or other legal representative;
 - (d) “**Related Parties**” means, in reference to a Party, its Affiliates, successors and assigns and each of their respective directors, officers, employees, members and general partners.
 - (e) “**Representatives**” means, in reference to a Party’s and its Related Parties’ respective representatives, agents, legal counsel, consultants and advisors, and, for greater certainty, in reference to the Disclosing Parties, shall include the Monitor.
2. The Disclosing Parties may provide Confidential Information, or a portion thereof, to the Recipient pursuant to and in accordance with the terms of this Agreement, at its sole and unfettered discretion.
3. The Recipient agrees that the Confidential Information shall be kept strictly confidential and shall not be sold, traded, published, disclosed, shared or otherwise used in any manner whatsoever, including by means of photocopy or reproduction, without the Disclosing Parties’ and the Monitor’s prior written consent, which consent may be withheld in each of the Disclosing Parties’ and/or the Monitor’s sole, absolute, and unfettered discretion, except as provided in Sections 4 and 5. The Recipient shall protect and safeguard the confidentiality of the Confidential Information using at least the same degree of care as the Recipient would use to protect its own confidential information, but in no event less than a commercially reasonable degree of care.
4. The Recipient may disclose Confidential Information without the Disclosing Parties’ and the Monitor’s prior written consent only to the extent that the Recipient can establish that the Confidential Information:
- (a) is, as of the date of this Agreement, publicly available or becomes available to the public other than through the act or omission of the Recipient or any of its Representatives; *provided, however*, that if some portion of the Confidential Information becomes publicly available, the balance of the Confidential Information, whether related or not to said portion, shall not be considered to have become publicly available;
 - (b) is required to be disclosed under applicable law or by court order or by a governmental order, decree, regulation or rule of any stock exchange (provided that the Recipient shall give written notice to the Disclosing Parties prior to such disclosure and shall comply with the requirements of Section 11); or
 - (c) is acquired independently by the Recipient, without any obligation of confidentiality, from a third party that has the right to disseminate such information without restrictions at the time it is acquired by the Recipient.

5. Subject to Section 8 hereof, the Recipient shall be entitled to disclose Confidential Information without the Disclosing Parties' and the Monitor's prior written consent to the Recipient's Related Parties and their respective Representatives who have a clear need-to-know such information in order to evaluate the Transaction.
6. The Recipient shall, upon request, provide the Disclosing Parties and the Monitor with a list of all Persons to whom Confidential Information has been provided. The Recipient agrees to be responsible for any breach of or failure to adhere to any of the terms of this Agreement by any such Person receiving Confidential Information from the Recipient, its Related Parties or their respective Representatives.
7. The Recipient, its Related Parties, and their respective Representatives receiving Confidential Information shall only use or permit the use of the Confidential Information to evaluate the Opportunity and a potential Transaction and determine whether to enter into or continue negotiations concerning the Transaction and for no other purpose whatsoever. The Recipient undertakes that none of it, its Related Parties, or any of their respective Representatives shall, without the prior written consent of the Disclosing Parties and the Monitor (which consent may be withheld in each of the Disclosing Parties' and the Monitor's sole, absolute, and unfettered discretion), prior to closing of a Transaction, enter into any discussion or agreement with any Person to acquire any separate, joint or subdivided interest in any asset or property potentially forming part of the Transaction.
8. The Recipient shall ensure that its Representatives to whom Confidential Information is disclosed under this Agreement keep such information confidential and shall not disclose or divulge the same to any unauthorized Person and shall causes its Representatives to be bound by the terms of this Agreement to the same extent as if they were parties hereto and the Recipient shall be responsible for any breach of this Agreement by any of its Representatives. In addition to any other rights the Disclosing Parties or any of their Related Parties may have against the Recipient arising by reason of any breach of this Agreement, the Recipient shall:
 - (a) be liable to the Disclosing Parties, their Related Parties and the Monitor for all losses, costs, damages and expenses whatsoever which any of them may suffer, sustain, pay or incur; and
 - (b) indemnify and hold the Disclosing Parties, their Related Parties and the Monitor harmless against all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by any of them or which any of them may suffer, sustain, pay or incur,as a result of any breach of this Agreement by the Recipient, its Representatives, or any other Persons receiving Confidential Information hereunder.
9. The obligations of the Parties herein shall remain in full force and effect for a period of three years from the date hereof (notwithstanding that Confidential Information may have been returned or copies or other reproductions thereof destroyed prior to the expiration of such period and whether or not a Transaction is implemented).
10. The Recipient agrees that the Disclosing Parties and/or their Related Parties may be irreparably injured by a breach of this Agreement and that the Disclosing Parties and/or their Related Parties may be entitled to seek equitable relief, including injunctive relief and specific performance in the event of any breach of this Agreement, without the requirement for the securing or posting of any

bond or undertaking in damages in connection with such relief. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement but shall be in addition to all other remedies available in law or in equity.

11. Should any Person seek to legally compel the Recipient or any of its Representatives receiving Confidential Information to disclose any Confidential Information, the Recipient will provide the Disclosing Parties and the Monitor with prompt written notice thereof (to the extent legally allowed to do so) so that the Disclosing Parties and/or their Related Parties may seek a protective order or other appropriate remedy. At the Disclosing Parties' cost, the Recipient shall cooperate fully with the Disclosing Parties and/or their Related Parties on a reasonable basis in any attempt by any such Person to obtain a protective order or other appropriate remedy. In any event, the Recipient or other Person receiving Confidential Information hereunder who is so compelled to disclose will only furnish that portion of the Confidential Information that is legally required to be disclosed and will use commercially reasonable efforts to ensure that such Confidential Information is afforded confidential treatment.
12. It is understood that neither this Agreement nor the disclosure of any Confidential Information to the Recipient or its Representatives shall be construed as granting to any of them any license or rights in respect of any part of the Confidential Information. The Recipient acknowledges and agrees that the Disclosing Parties retain the entire right, title and interest, including all intellectual property rights, in and to all of the Confidential Information, and nothing herein shall be construed as an assignment or other transfer of any of the Disclosing Parties' rights in the Confidential Information.
13. The Confidential Information shall remain the property of the Disclosing Parties and their Related Parties, as applicable, and the Disclosing Parties or the Monitor may demand the return and/or destruction thereof at any time upon giving written notice to the Recipient. Within seven business days of receipt of such notice, the Recipient shall return all of the original Confidential Information, destroy all copies and reproductions (both written and electronic) and analyses, interpretations, compilations, data, studies, notes and any documents prepared by or on behalf of the Recipient or any of its Representatives containing or based upon, in whole or in part, Confidential Information, and promptly upon request of the Disclosing Parties, the Recipient shall cause one of its senior officers to certify such destruction in writing. If at any time the Recipient determines not to proceed with a Transaction, the Recipient will promptly notify the Monitor in writing. Notwithstanding the foregoing, the Recipient or any of its Representatives will not be required to destroy: (i) any Confidential Information retained as required by applicable law or *bona fide* professional standards; or (ii) electronic back-up versions of the Confidential Information to the extent such destruction is not reasonably practical. Notwithstanding the destruction or return of the Confidential Information, the Recipient and its Representatives will continue to be bound by the obligations of confidentiality and all other obligations hereunder during the term of this Agreement.
14. None of the Disclosing Parties, their Related Parties or the Monitor make or shall be deemed to make any representations or warranties, express or implied, as to the quality, accuracy or completeness of the Confidential Information disclosed hereunder. The Disclosing Parties, their Related Parties, the Monitor, and their respective Representatives expressly disclaim any and all liability for representations or warranties, express or implied, or errors, contained in, or omissions from, the Confidential Information or other material made or to be made as part of the Confidential Information or otherwise. The Recipient hereby releases, indemnifies and holds the Disclosing Parties, their Related Parties, the Monitor, and each of their respective Representatives harmless with respect to the use of or reliance upon the Confidential Information by the Recipient and its Representatives. The Recipient acknowledges and agrees that, except as otherwise expressly

provided in a written definitive agreement, there are no duties or obligations whatsoever between the Recipient and the Disclosing Parties or their Related Parties except the duties and obligations expressly provided for under this Agreement. Subject to any definitive agreement entered into by the Parties, the Recipient agrees that it shall rely upon its own investigations, due diligence, assessments and analysis in evaluating the Transaction.

15. No contract or agreement providing for a Transaction shall be deemed to exist unless and until a definitive agreement in respect of a Transaction has been executed by the Recipient and the Disclosing Parties. Nothing contained herein is intended to confer upon the Recipient any right whatsoever to require or force the Disclosing Parties to enter into or close a Transaction with the Recipient. The Recipient understands and agrees that, except as may be otherwise agreed by the Recipient and the Disclosing Parties in a definitive agreement executed by them in respect of the Transaction:
 - (a) the Disclosing Parties and the Monitor shall conduct the process for a possible Transaction as they, in their sole, absolute, and unfettered discretion, shall determine, including negotiating with any other Person and entering into a definitive agreement in respect of a Transaction with any other Person without prior notice to the Recipient or any other Person; and
 - (b) the Recipient shall not have any claims whatsoever against the Disclosing Parties, their Related Parties or the Monitor or any of their respective Representatives arising out of or relating to a Transaction.

16. The Recipient, its Related Parties and all of their Representatives shall not, without the prior written consent of the Disclosing Parties or the Monitor, initiate or arrange, directly or indirectly, or maintain contact with:
 - (a) any director, officer, employee, contractor or agent of the Disclosing Parties or their Related Parties, except for those contacts: (i) which have been identified by the Disclosing Parties or the Monitor as contacts for the express purpose of facilitating the Transaction and/or the provision of Confidential Information; (ii) made in the ordinary course of business unrelated to the Transaction; or (iii) otherwise with the prior written consent of the Disclosing Parties and the Monitor; or
 - (b) any customer or supplier of the Disclosing Parties or any of their Affiliates regarding the Transaction, the Confidential Information, or any other aspect of the business of the Disclosing Parties or their Affiliates, without the prior written consent of the Disclosing Parties and the Monitor.

17. The Recipient, its Related Parties and all of their Representatives shall not, for a period of 18 months from the date hereof, directly or indirectly, solicit for employment or engagement of any employee, officer, director or contractor (who works exclusively for any individual or collection of the Disclosing Parties or their Affiliates) of the Disclosing Parties or their Affiliates whom the Recipient and its Representatives have become aware of in connection with the Recipient's consideration of the Transaction, except that the foregoing will not prohibit the Recipient from: (i) engaging in general solicitations or advertisements regarding employment; or (ii) soliciting or hiring any such person who: (A) responds to any general solicitation placed by the Recipient (including, without limitation, any recruitment efforts conducted by any recruitment agency); or (B) contacted the Recipient at his or her own initiative without any prior direct solicitation by the Recipient in violation of this Agreement.

18. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by, and construed, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Recipient also hereby irrevocably and unconditionally consents to submit to the jurisdiction of the Ontario Superior Court of Justice (Commercial List), in the City of Toronto, Ontario, for any sanctions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated hereby (and the Recipient agrees not to commence any action, suit or proceeding relating thereto except in such courts). The Recipient further agrees that service of process, summons, notice or document by registered mail to the Recipient's address set forth in Section 19 shall be effective service of process for any action, suit or proceeding brought against the Recipient in any such court. The Recipient hereby irrevocably and unconditionally waives any objection to the laying of the venue of any action, suit or proceeding arising out of this Agreement of the transactions contemplated hereby, in the courts of the Province of Ontario, Canada and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. The Parties expressly waive their right to a jury trial.
19. All notices, consents and other instruments which are required or may be given pursuant to this Agreement must be given in writing and delivered personally or by electronic mail as follows:

In the case of the Disclosing Parties to:

Miller Thomson LLP

Scotia Plaza

40 King Street West, Suite 5800

Toronto, Ontario

M5H 4A9

Attention: Larry Ellis / Sam Massie

Email: lellis@millerthomson.com / smassie@millerthomson.com

In the case of the Monitor to:

Deloitte Restructuring Inc.

Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, Ontario
M5H 0A9

Attention: Todd Ambachtsheer / Chris Lam
Email: tambachtsheer@deloitte.ca / chrlam@deloitte.ca

with a copy to:

Cozen O'Connor LLP

North Tower, Bay Adelaide Centre
40 Temperance Street, Suite 2700
Toronto, ON M5H 0B4

Attention: Steven Weisz / Heidi Esslinger
Email: sweisz@cozen.com / hesslinger@cozen.com

In the case of the Recipient to:



All notices will be deemed to have been duly given at the time of delivery or, in the case of electronic mail, on the first business day after electronic mailing, as the case may be.

20. The Recipient shall not assign this Agreement or any rights and benefits hereunder, in whole or in part to any Person without the prior written consent of the Disclosing Parties and the Monitor, which consent may be withheld in each of the Disclosing Parties' and the Monitor's sole, absolute, and unfettered discretion. This Agreement shall enure to the benefit of the Parties and their lawful successors and permitted assigns. The Recipient acknowledges and agrees that the Disclosing Parties shall be entitled to assign this Agreement, without notice to, or consent by, the Recipient, to any purchaser of: (i) all or substantially all the assets of the Disclosing Parties (whether pursuant to the SISP, or otherwise); or (ii) the assets and/or business operations of the Disclosing Parties pursuant to the SISP. Any such purchaser shall be entitled to the benefits of this Agreement, whether or not this Agreement is assigned to such purchaser.
21. To the extent that any Confidential Information includes materials subject to solicitor-client privilege or litigation privilege, neither the Disclosing Parties nor any of their Related Parties are waiving, and shall not be deemed to have waived or diminished, its solicitor-client privilege, litigation privilege or similar protections and privileges as a result of disclosing any Confidential Information (including Confidential Information related to pending or threatened litigation) to the Recipient or any of its Representatives.
22. No amendments, changes or modifications to this Agreement shall be valid except if the same are in writing and signed by a duly authorized representative of each of the Parties. No waiver of any provision of this Agreement shall be valid except if provided in writing by a duly authorized representative of the Party proposing to grant the same. Further, no failure or delay by the

Disclosing Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

23. This Agreement comprises the full and complete agreement of the Parties with respect to the disclosure of the Confidential Information and supersedes and cancels all prior communications, understandings and agreements between the Parties in respect hereof, whether written or oral, expressed or implied. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Time is of the essence with respect to this Agreement.
24. This Agreement may be executed and delivered in counterpart and by facsimile or emailed copies, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument.
25. If the Recipient is or manages a private equity fund, the Disclosing Parties acknowledge that the Recipient and its Representatives may serve as directors of portfolio companies of such fund, and agrees that such portfolio companies will not be deemed to have received Confidential Information solely because any such individual serves on the board of such portfolio company, provided that: (i) the individual has not provided such portfolio company or any director, officer or employee of such portfolio company with Confidential Information; and (ii) such portfolio company does not act at the direction of or with encouragement from the Recipient, its Related Parties, or their Representatives with respect to any matters contemplated hereby.

[Remainder of page left blank. Signature page follows.]

IN WITNESS WHEREOF, the duly authorized representative of each of the Parties has caused this Agreement to be executed on the date first written above.

For the Monitor:

DELOITTE RESTRUCTURING ING., in its capacity as Court-appointed Monitor of the Disclosing Parties and not in its personal capacity

Per: _____
Name:
Title:

For the Disclosing Parties:

HUMBLE & FUME INC.

Per: _____
Name:
Title:

HUMBLE & FUME INC.

Per: _____
Name:
Title:

P.W.F. HOLDCO, INC.

Per: _____
Name:
Title:

WINDSHIP TRADING LLC

Per: _____
Name:
Title:

FUME LABS INC.

Per: _____

Name:

Title:

B.O.B. HEADQUARTERS INC.

Per: _____

Name:

Title:

HUMBLE CANNABIS SOLUTIONS INC.

Per: _____

Name:

Title:

For the Recipient:



Per: _____

Name:

Title: