

ONTARIO
SUPERIOR COURT OF JUSTICE
(In Bankruptcy and Insolvency)

Estate Number: **33-2618510**
Court File No.: **33-2618510**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ARTIVA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

Estate Number: **33-2618512**
Court File No.: **33-2618512**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF LIVEWELL FOODS CANADA INC. OF THE CITY OF OTTAWA IN THE
PROVINCE OF ONTARIO**

**AND IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS
CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED, AND IN THE MATTER
OF A PROPOSED ARRANGEMENT OF 12112744 CANADA LIMITED AND
INVOLVING LIVEWELL FOODS CANADA INC. AND ARTIVA INC.**

**AMENDED JOINT PROPOSAL AND PLAN OF
ARRANGEMENT/REORGANIZATION OF ARTIVA INC. AND
LIVEWELL FOODS CANADA INC.**

ARTIVA INC. AND LIVEWELL FOODS CANADA INC. hereby submit the following Amended Joint Proposal and Plan of Arrangement/Reorganization to their Creditors pursuant to Part III of the BIA and pursuant to sections 191 and 192 of the CBCA.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) “**Administrative Charge**” has the meaning assigned by the Order dated 9 March 2020;

- (b) “**Administrative Fees and Expenses**” means the proper fees, expenses, including legal fees and disbursements, of the Trustee and the Debtor, including the fees and disbursements of Gowlings, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) “**Approval Order**” means an Order of the Court approving the Proposal pursuant to the BIA and the CBCA;
- (d) “**Artiva**” means Artiva Inc.
- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Proposal Date;
- (f) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (g) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (h) “**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as amended;
- (i) “**Certificates**” has the meaning ascribed by **Article [6.1]**;
- (j) “**Claim**” means any right of any Person against the Debtor or a Director in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Proposal Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or as of the Proposal Date;
- (k) “**Court**” means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (l) “**Creditor**” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (m) “**Creditors’ Meeting**” means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;

- (n) “**Creditors’ Meeting Date**” means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal, but in any event shall be no later than twenty-one (21) days following the Proposal Date, or as otherwise may be extended;
- (o) “**Debtor**” means Artiva, LiveWell and, subsequent to the amalgamation of Artiva and LiveWell, New Artiva;
- (p) “**Directors**” means the Debtor’s current directors;
- (q) “**Employee Creditors**” means employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph [136(1)(d)] of the BIA if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period;
- (r) “**Employment Insurance Act**” means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (s) “**Gowlings**” means Gowling WLG (Canada) LLP;
- (t) “**Implementation Date**” means the date upon which the conditions set forth in Article [7.4] have been satisfied;
- (u) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (v) “**Inspectors**” means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (w) “**Interim Lenders**” means Sprouter Corporation Inc., David Van Segbrook and Donna Van Segbrook;
- (x) “**Lien Claimants**” means Lamarche Electric Inc. and Paladine Technologies Inc.;
- (y) “**LiveWell**” means LiveWell Foods Canada Inc.;
- (z) “**New Artiva**” means the corporation created by the amalgamation of Artiva, LiveWell and NumCo;
- (aa) “**NumCo**” means 12112744 Canada Limited;
- (bb) “**Noteholders**” means Dominion Capital LLC, Nomis Bay Ltd, MM Asset Management, Inc. and BPY Limited;

- (cc) “**Official Receiver**” shall have the meaning ascribed thereto in the BIA;
- (dd) “**Perley-Robertson**” means Perley-Robertson, Hill & McDougall LLP;
- (ee) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (ff) “**Preferred Creditors**” means Creditors with Proven Claims that are required by the BIA to be paid in priority to all other claims under a proposal made by a debtor save and except for Employee Creditors and Source Deduction Creditors.
- (gg) “**Proof of Claim**” shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (hh) “**Proposal**” means this proposal and plan of arrangement together with any amendments or additions thereto;
- (ii) “**Proposal Date**” means the date of the filing of the Proposal with the Official Receiver;
- (jj) “**Proven Claim**” of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (kk) “**Related Creditors**” means any company the majority of the shares of which are owned by a Debtor or that owns the majority of the shares of a Debtor;
- (ll) “**Secured Creditor**” means a person, holding a valid and perfected mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the person from the Debtor including Olympia Trust Company, but shall not include: (i) the Interim Lenders and the beneficiaries of the Administrative Charge, which are not affected by this Proposal; or (ii) the Noteholders, the Lien Claimants and Perley-Robertson whose security is valued at \$0 for the purposes of this Proposal;
- (mm) “**Source Deduction Creditors**” means Her Majesty in Right of Canada or a Province for all amounts that were outstanding on the Proposal Date and are of a kind that could be subject to a demand under,
 - (i) subsection [224(1.2)] of the *Income Tax Act*;
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection [224(1.2)] of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or

- (iii) any provision of provincial legislation that has a similar purpose to subsection [224(1.2)] of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
 - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection [3(1)] of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;
- (mn) “**Trustee**” means Deloitte Restructuring Inc. or its duly appointed successor or successors;
- (oo) “**Unsecured Creditors**” means the Preferred Creditors and any Creditor who is not a Secured Creditor and, for greater certainty, includes the Noteholders, the Lien Claimants and Perley-Robertson, but not the Related Creditors; and
- (pp) “**Voting Letter**” shall mean the voting letter required by subsection [51(1)] of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day. Actions described herein shall occur and be deemed to occur in the order specified.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

CLASSIFICATION AND TREATMENT OF CREDITORS

2.1 Classes of Creditors

For the purposes of voting on the Proposal, the Unsecured Creditors and the Secured Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors and one (1) class of Secured Creditors.

2.2 Related Creditors

The Related Creditors shall not be entitled to vote on the Proposal or receive a distribution under the Proposal until the Proven Claims of the Secured and Unsecured Creditors are paid in full.

2.3 Secured Creditors

The Proven Claim of each Secured Creditor shall, at the option of the Secured Creditor, be paid and/or satisfied within thirty (30) of days of the Claim of the Secured Creditor becoming a Proven Claim.

For the purposes of this Proposal, the security held by each of the Noteholders, the Lien Claimants and Perley-Robertson shall be valued at \$0 such that each of the Noteholders, the Lien Claimants and Perley-Robertson shall be included in the class of Unsecured Creditors for the purposes of voting on and receiving a distribution under this Proposal.

2.4 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtor.

2.5 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the BIA and the Proposal.

2.6 Unsecured Creditors

The Proven Claims of the Unsecured Creditors, other than Preferred Creditors, and the Related Creditors will be paid and satisfied as provided by **Article [7]**.

ARTICLE 3

PROCEDURE FOR VALIDATION OF CLAIMS

3.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA.

3.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

ARTICLE 4

MEETING OF CREDITORS

4.1 Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

4.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

4.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section [52] of the BIA.

4.5 Voting by Creditors

To the extent provided for herein, each Creditor will be entitled to vote to the extent of the amount that is equal to that Creditor's Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with subsection [108(3)] of the BIA. Related Creditors will not be entitled to vote at the Creditors' Meeting.

4.6 Approval by Creditors

The Proposal will be binding on the Unsecured Creditors and the Related Creditors in accordance with the BIA, if: (a) it is accepted by the class of Unsecured Creditors by a majority in the number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal

(whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter; and (b) the Approval Order is made.

The Proposal will be binding on the Secured Creditors in accordance with the BIA if it is: (a) accepted by the class of Secured Creditors by a majority in the number of the Secured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Secured Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter; and (b) the Approval Order is made.

4.7 Appointment of Inspectors

At the Meeting of Creditors the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to: (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

ARTICLE 5

CBCA ARRANGEMENT/REORGANIZATION

5.1 Definitions.

For the purposes of this **Article [5]**, unless otherwise stated or unless the context otherwise requires:

- (a) **“Arrangement”** means the reorganization and arrangement of Artiva, LiveWell and NumCo under sections **[191 and 192]** of the CBCA as set out in this **Article [5]** and in Schedules [A] and [B] together with any amendments or additions thereto;
- (b) **“Corporations”** means Artiva, LiveWell and NumCo;
- (c) **“Interim Order”** means the interim order of the Court pursuant to subsection **[192(4)]** of the CBCA providing, *inter alia*, that: (i) the Shareholders shall have no right to vote on the Proposal and no right(s) of dissent; (ii) the Proposal shall be approved by the Unsecured Creditors at the Creditor Meeting on the Creditor Meeting Date; (iii) the Unsecured Creditors shall be in a single class for the purposes of voting on the Proposal; and (iv) the Proposal shall be accepted by the class of Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

- (d) “**Shareholders**” means the shareholders of Artiva, LiveWell and NumCo.

5.2 Interim Order

Forthwith after the filing of the Proposal, and in any event not less than fifteen (15) days prior to the Creditor Meeting Date, the Debtor shall apply to the Court for the Interim Order.

5.3 Arrangement and Reorganization

On the Implementation Date, the following shall occur and be deemed to occur in the following order without any further act or formality and, except as otherwise noted in this **Article [5.3]** and in **Schedules [A] and [B]**, with each transaction or event being deemed to occur immediately after the occurrence of the transaction or event immediately preceding it:

- (a) LiveWell, Artiva and NumCo shall be amalgamated under the CBCA to create New Artiva as follows:
- (i) The name of New Artiva shall be “**Artiva Limited**”;
 - (ii) As at the amalgamation, the Articles for New Artiva shall be the same as the Articles for LiveWell;
 - (iii) The issued and outstanding shares of Artiva and NumCo owned by LiveWell shall be cancelled; and
 - (iv) The shareholder of New Artiva shall be the shareholder of Artiva.
- (b) the Articles for New Artiva shall be amended pursuant to section **[191]** of the CBCA to: (i) re-designate the Common Shares of New Artiva as Redeemable Shares and provide that the newly designated Redeemable Shares may be redeemed and exchanged by New Artiva on payment of \$0.01 per share; and (ii) create a new class of shares consisting of an unlimited number of Common Shares having the right to vote, the right to receive dividends and the right to receive a distribution on the winding-up of New Artiva;
- (c) Common Shares shall be issued by New Artiva as follows:
- (i) 510 to Seann Poli;
 - (ii) 280 to iCorp Capital Inc.;
 - (iii) 100 to Charbel Abboud;
 - (iv) 100 to Mohammed Al-Balsheh; and
 - (v) 10 to Justin Ambar.

- (d) the Redeemable Shares shall be redeemed and cancelled by New Artiva such that:
 - (i) the existing shareholder of Artiva shall no longer be a shareholder of New Artiva and shall have no rights as a shareholder except the right to receive the \$1.00 payable by New Artiva to redeem the Redeemable Shares, and
 - (ii) there shall be no remaining issued and outstanding Redeemable Shares;
- (e) the Articles for New Artiva shall be amended to delete all reference to the Redeemable Shares such that the only shares of New Artiva will be Common Shares; and
- (f) the Certificates shall be issued to the Unsecured Creditors as provided for by **Article [6.1]**.

5.4 Binding Effect

This Arrangement will become effective at, and be binding at and after, the Implementation Date without any further act or formality required on the part of:

- (a) LiveWell;
- (b) Artiva;
- (c) NumCo;
- (d) the Shareholders; and
- (e) all other Persons,

without further act or formality required on the part of an Person except as expressly provided herein.

ARTICLE 6

CREDITOR CERTIFICATES

6.1 Certificates

On the Implementation Date, immediately following the steps described in **Article [5.3(a) to (e)]**, each Unsecured Creditor and Related Creditor will receive from the Debtor, in full and final satisfaction of their Claims, certificates (the “**Certificates**”) with a face value equal to that Creditor’s Claim as set forth in the Creditor’s Proof of Claim or the Statement of Affairs, whichever is greater, subject to that Creditor’s Claim being determined in accordance with **Article [3]**. Once a Creditor’s Claim becomes a Proven Claim a new Certificate shall be issued with a face value equal to that Creditor’s Proven Claim if that Proven Claim is different from the amount set out on the Certificate originally issued to the Creditor.

The Certificates will be secured by: (a) a general security agreement that grants a security interest in all of the Debtor's present and after acquired personal property; and (b) a collateral charge/mortgage against all of the real property owned by the Debtor, each of which secures the obligations owing under the Certificates. This security will be: (a) subordinate to the security held by the Secured Creditors, the Interim Lenders and the beneficiaries of the Administrative Charge; and (b) will be postponed and subordinated to: (i) any security granted by the Debtor in connection with the refinancing of up to 125% of the amount owing to the Secured Creditors, the Interim Lenders and the beneficiaries of the Administrative Charge; and (ii) any security granted by the Debtor in connection with any financing provided by a third-party that agrees to provide the Debtor with an operating line of credit or a factoring facility.

ARTICLE 7

DISTRIBUTION

7.1 Secured Creditors

The Proven Claims of the Secured Creditor shall be dealt with as provided for in **Article [2.3]**.

7.2 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order using proceeds from the operation of the Debtor's business.

7.3 Payment of Source Deduction Creditors

Unless Her Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid within six (6) months after the making of the Approval Order.

7.4 Payment of Certain Claims

Within sixty (60) days of the Implementation Date, the Debtor shall pay to each Preferred Creditor its Proven Claim in the priority established by the BIA.

7.5 Payment of Certificates

For purposes of this **Article [7.5]** "Net Income" means the profit or loss when applying International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in relation to the Cannabis industry in Canada, including IAS 1 to 41 and inclusive of any future related standards that may become applicable. Net Income results from profit or loss and includes the following under IFRS and IAS standards: revenue; expenses; gains and losses from the derecognition of financial assets measured at amortised cost; finance costs; share of the profit or loss of associates and joint ventures accounted for using the equity method; certain gains or losses associated with the reclassification of financial assets; tax expense; and a single amount for the total of discontinued items. Also included are certain items that are of a comprehensive income nature including: write-downs of inventories to net realizable

value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; disposals of items of property, plant and equipment; disposals of investments; discontinuing operations; litigation settlements; and other reversals of provisions. Net Income as disclosed in the financial statements must present: profit or loss; total other comprehensive income; comprehensive income for the period; and an allocation of profit or loss and comprehensive income for the period between non-controlling interests and owners of the parent.

For each fiscal year ending December 31 for the four (4) years beginning for the year ended 31 December 2020, the Debtor will pay fifty (50) per cent of the Net Income of the Debtor *pro rata* to Creditors based on and to reduce the amount owing under the Certificates, provided that no creditor is entitled to receive more than 100% of that Creditor's Proven Claim. Distributions will be made no later than 90 days after each of the four year-ends by 31 March of the following fiscal year, commencing 31 March 2021.

One Hundred (100) per cent of the net proceeds, if any, from any proceedings taken by the Proposal Trustee pursuant to section [95 to 101] of the BIA shall be distributed *pro rata* to the Creditors to reduce the amount owing pursuant to the Certificates within sixty (60) days of such amounts being received.

The Certificates will be fully paid and satisfied by the distribution of the amounts contemplated by this **Article [7.5]**.

7.6 Related Creditors

The Proven Claims of the Related Creditors shall be fully subordinated to the Proven Claim of the Unsecured Creditors and shall not be entitled to receive a distribution under **Article [7.5]** unless and until the Proven Claims of the Unsecured Creditors are paid in full.

7.7 Levy

Payments to each Creditor made pursuant to **Article [7.5]** shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA, which amount shall be paid by the Debtor to the Office of the Superintendent of Bankruptcy. The Office of the Superintendent of Bankruptcy will receive a Certificate in respect of the amount payable in respect of levy.

ARTICLE 8

MISCELLANEOUS

8.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Unsecured Creditor and Related Creditor, their heirs, executors, administrators, successors and assigns, for all purposes. Subject

to the limitations in section [50(14)] of the BIA, the Claims against the Directors that arose before the Proposal Date and that relate to the obligations of the Debtor where the directors are by law liable in their capacity as directors for the payment of such obligations will be satisfied and released.

8.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

8.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Unsecured Creditor and Related Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, ~~the Trustee and all of their~~ its ~~respective affiliates,~~ employees, agents, Directors (~~provided that, in respect of the Debtor, only the Directors are released~~), officers, shareholders, and current advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein; provided that nothing herein shall release the Debtor of its obligation to make the distributions to Unsecured Creditors contemplated in this Proposal, provided that, for greater certainty, none of the Debtor's former directors shall be discharged or released from any statutory

liability for a Claim, including a Claim by an employee for wages or vacation, and the Creditors may pursue the Debtor's former directors for any such Claim(s) notwithstanding this Proposal; and

- (e) to have released the Trustee and all of its affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

8.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The making of the Interim Order;
- (b) The acceptance of the Proposal by the Unsecured Creditors; and
- (c) The making of the Approval Order and the expiry of all applicable appeal periods.

8.5 Full Implementation

This Proposal will be fully implemented by the Debtor on delivery of the Certificates as provided by **Article [6]**.

8.6 Effect of Proposal Generally

As at 12:01 a.m. on the date of the Approval Order becomes final and binding:

- (a) The treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) The Proposal shall constitute: (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor and the Directors of or in respect of the Claims.

8.7 Further Actions.

Notwithstanding that the transactions and events set out in this Proposal shall occur and be deemed to occur in the order set out herein without any other additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by them in order to document or evidence any of the transactions or events set out herein.

8.8 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of their property and assets at all times, both before and after implementation of this Proposal.

ARTICLE 9

ADVOIDANCE OF TRANSACTION

9.1 Avoidance Proceedings

Section [95 to 101] of the BIA will apply in respect of the Debtor and this Proposal. One hundred (100) per cent of the net proceeds, if any, realized by the Proposal Trustee from any proceedings taken pursuant to section [95 to 101] of the BIA shall be distributed to the Unsecured Creditors as provided by Article [7.5].

The Proposal Trustee is not obliged to take any proceedings under Section [95 to 101] of the BIA unless there are provisions in place that are satisfactory to the Proposal Trustee with respect to the professional fees and expenses that will be incurred by the Proposal Trustee.

If an Unsecured Creditor requests the Proposal Trustee to take any proceeding that in that Unsecured Creditor's opinion would be for the benefit of the Unsecured Creditors and the Proposal Trustee refuses or neglects to take the proceeding, that Unsecured Creditor may obtain from the Court an order authorizing the Unsecured Creditor to take the proceeding in the Unsecured Creditor's own name and at the Unsecured Creditor's own expense and risk pursuant to section [38] of the BIA and any the surplus, if any, realized by the Unsecured Creditor shall be distributed to the Proposal Trustee for distribution in accordance with Article [7.5].

ARTICLE 10

GENERAL

10.1 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery,

by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

c/o Gowling WLG (Canada) LLP
Suite 1600, 100 King St.W.
Toronto ON M5X 1G5

Attention: E. Patrick Shea, LSM, CS
Telecopier: 416-862-7661
E-mail : patrick.shea@gowlingwlg.com

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and
- (c) if to the Trustee:

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

Attention: Hartley Bricks
Telecopier: 416-601-6690
E-mail : hbricks@deloitte.ca

or to such other address, e-mail address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by e-mail or telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by e-mail or telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.2 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

10.3 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

10.4 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

10.5 Amendment.

Any amendment, modification, supplement or restatement to this Proposal may be proposed prior to or at the Creditor Meeting and if accepted at the Creditor Meeting a shall become part of this Proposal.

10.6 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

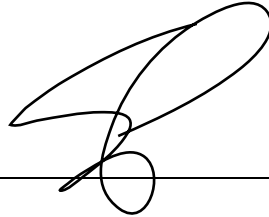
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EXECUTION PAGE

DATED at Ottawa, this 28 day of August 2020.

ARTIVA INC.

Per: _____
Name: Seann Poli
Title: CEO



I have authority to bind the corporation.

LIVEWELL FOODS CANADA INC.

Per: _____
Name: Seann Poli
Title: CEO



I have authority to bind the corporation.

**SCHEDULE A TO AMENDED JOINT PROPOSAL OF LIVEWELL FOODS CANADA
INC. AND ARTIVA INC.**

**PLAN OF ARRANGEMENT PURSUANT TO SECTION 192 OF THE CANADA
BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED, OF 12112744
CANADA LIMITED AND INVOLVING LIVEWELL FOODS CANADA INC. AND
ARTIVA INC.**

12112744 CANADA LIMITED hereby submits this Plan of Arrangement involving LiveWell Foods Canada Inc. and Artiva Inc. pursuant to s. 192 of the CBCA

ARTICLE 1

INTERPRETATION

1.1 Definitions

In this Plan of Arrangement:

- (a) “CBCA” means the *Canada Business Corporations Act*, RSC 1985, c. C-44;
- (b) “Implementation Date” means the date on which the Joint Proposal is implemented in accordance with its terms;
- (c) “Joint Proposal” means the Joint Proposal filed by LiveWell and Artiva on 12 June 2020;
- (d) “NumCo” means 12112744 Canada Limited;
- (e) “Person” has the meaning assigned by the Joint Proposal; and
- (f) “Plan of Arrangement” means this Plan of Arrangement together with any amendments or additions thereto

1.2 Terms Defined in Joint Proposal

All terms not otherwise defined in this Plan of Arrangement shall have the meaning assigned to them by the Joint Proposal

1.3 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to in this Plan of Arrangement and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In this Plan of Arrangement, a

reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of this Plan of Arrangement.

1.4 Interpretation Not Affected by Headings

The division of the Plan of Arrangement into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day. Actions described herein shall occur and be deemed to occur in the order specified.

1.6 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.7 Numbers

In this Plan of Arrangement, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

1.8 Statutory References

Except as otherwise provided herein, any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

This Plan of Arrangement will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal of this Plan of Arrangement.

ARTICLE 2

ARRANGEMENT

2.1 Arrangement

On the Implementation Date, the following shall occur and be deemed to occur in the order provided for by the Proposal without any further act or formality:

LiveWell, Artiva and NumCo shall be amalgamated under the CBCA to create New Artiva as follows:

- (a) the name of New Artiva shall be “Artiva Limited”;
- (b) As at the amalgamation, the Articles for New Artiva shall be the same as the Articles for LiveWell;
- (c) the issued and outstanding shares of Artiva and NumCo owned by LiveWell shall be cancelled; and
- (d) the shareholder of New Artiva shall be the shareholder of Artiva.

2.2 Binding Effect

This Arrangement will become effective at, and be binding at and after, the Implementation Date without any further act or formality required on the part of:

- (a) LiveWell;
- (b) Artiva;
- (c) NumCo;
- (d) the Shareholders; and
- (e) all other Persons,

without further act or formality required on the part of an Person except as expressly provided herein.

ARTICLE 3

GENERAL

3.1 Inconsistency

In the event of any inconsistency between the Joint Proposal and this Plan of Arrangement, the terms of the Joint Proposal shall govern.

3.2 Amendment.

Any amendment, modification, supplement or restatement to this Plan of Arrangement may be proposed prior to or at the Creditor Meeting and if accepted at the Creditor Meeting a shall become part of this Plan of Arrangement.

3.3 Deeming Provisions

In this Plan of Arrangement the deeming provisions are not rebuttable and are conclusive and irrevocable.

**SCHEDULE B TO AMENDED JOINT PROPOSAL OF LIVEWELL FOODS CANADA
INC. AND ARTIVA INC.**

**REORGANIZATION OF NEW ARTIVA PURSUANT TO SECTION 191 OF THE
CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED**

1. In this Schedule:

- (a) “CBCA” means the *Canada Business Corporations Act*, RSC 1985, c. C-44;
- (b) “Implementation Date” means the date on which the Joint Proposal is implemented in accordance with its terms;
- (c) “Joint Proposal” means the Joint Proposal filed by LiveWell and Artiva on 12 June 2020; and
- (d) “New Artiva” means the corporation resulting from the amalgamation of 12112744 Canada Limited, LiveWell Foods Canada Inc. and Artiva Inc. as contemplated by the Joint Proposal.

2. On the Implementation Date, the following amendments to the Articles of Incorporation of New Artiva shall occur and be deemed to occur in the order provided for by the Joint Proposal without any further act or formality:

- (a) the Articles for New Artiva shall be amended to: (i) re-designate the Common Shares of New Artiva as Redeemable Shares and provide that the newly designated Redeemable Shares may be redeemed and exchanged by New Artiva on payment of \$0.01 per share; and (ii) create a new class of shares consisting of an unlimited number of Common Shares having the right to vote, the right to receive dividends and the right to receive a distribution on the winding-up of New Artiva;
- (b) following the issuance of Common Shares as provided for by the Joint Proposal, the Redeemable Shares shall be redeemed and cancelled by New Artiva such that: (i) the existing shareholder of Artiva shall no longer be a shareholder of New Artiva and shall have no rights as a shareholder except the right to receive the \$1.00 payable by New Artiva to redeem the Redeemable Shares, and (ii) there shall be no remaining issued and outstanding Redeemable Shares; and
- (c) the Articles for New Artiva shall be amended to delete all reference to the Redeemable Shares such that the only shares of New Artiva will be Common Shares.