

SETTLEMENT AGREEMENT

This Settlement Agreement (the "**Settlement Agreement**") is dated for reference July 31, 2020, by and between:

- (a) The Plaintiffs, Michael Tietz and Duane Loewen (the "Plaintiffs"), in the putative class proceeding, British Columbia Supreme Court Action No. S-197731 (the "**Action**"), on behalf of the "Class" as defined in the Notice of Civil Claim filed July 11, 2020 (the "**Notice of Civil Claim**"); and
- (b) Beleave Inc., Andrew Wnek, and Bojan Krasic (collectively the "**Settling Defendants**"), defendants in the Action;

(collectively, the "**Parties**").

I. RECITALS

WHEREAS the Plaintiffs have commenced the Action which alleges that the defendants in the Action (the "**Defendants**"), including the Settling Defendants, participated in a scheme where certain of the Defendants, referred to in the Notice of Civil Claim as the "Purported Consultants", acquired shares in certain of the Defendants, referred to in the Notice of Civil Claim as the "Issuers", which includes Beleave Inc. ("**Beleave**"), in 2018 through false pretense and by deception upon the public market, resulting in loss and damage to the Plaintiffs and others like them who acquired shares in the Issuers subsequent to the deception;

WHEREAS the Plaintiffs intend to add additional representative plaintiffs to the Action, including Americo Morlani, who swore an affidavit on February 11, 2020 attesting to his purchase of Beleave shares and his willingness to become a representative plaintiff in the Action;

WHEREAS the Plaintiffs intend to apply for leave under s. 140.8 of the *Securities Act* to bring the claims in the Action relating to secondary market disclosure liability (the "**Leave Application**");

WHEREAS, the defendants, Andrew Wnek and Bojan Krasic ("**Wnek and Krasic**"), were officers and directors of Beleave during the relevant time period;

WHEREAS, the Settling Defendants deny all of the allegations in the Action;

WHEREAS the Settling Defendants believe that they are not liable in respect of the claims as alleged in the Action and the Settling Defendants believe that they have good and reasonable defences in respect of the Leave Application, certification of the Action and the merits in the Action;

WHEREAS the Settling Defendants assert that they would actively pursue their defences during the course of the Leave Application, certification, any discoveries and at any trial if the Plaintiffs continued the Action as against them;

WHEREAS, on June 5, 2020 Beleave filed for protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 in the Ontario Superior Court of Justice, Action No. CV-20-00642097-00CL (the "**CCAA Proceeding**") and at that time the Ontario Superior Court of Justice, Commercial List (the "**CCAA Court**") granted a stay of the proceedings as against Beleave and its officers and directors (the "**CCAA Stay Order**"), which has been subsequently extended and is expected to continue to be extended into the future until the CCAA proceeding is resolved, through an arrangement, a bankruptcy or otherwise.

WHEREAS, the Parties desire to compromise and settle all claims made, and which could have been made, against the Settling Defendants in the Action;

WHEREAS, in addition, the Plaintiffs and their counsel have determined that there would be substantial benefits for the Class in securing access to cooperation from the Settling Defendants;

WHEREAS, despite their belief that they have good and reasonable grounds to oppose certification of the Action as a class proceeding, and have good and reasonable defences in respect of the merits, the Settling Defendants have negotiated and entered into this Settlement Agreement to avoid the further expense, inconvenience, and burden of this litigation, and any other present or future litigation arising out of the facts that gave rise to this litigation, and to achieve a resolution of all claims asserted or which could have been asserted against them by the Plaintiffs on their own behalf and on behalf of the class they seek to represent, and to avoid the risks inherent in uncertain, complex and protracted litigation, and thereby to put to rest this controversy involving the Settling Defendants;

WHEREAS as part of this resolution, the Settling Defendants have agreed to cooperate with the Plaintiffs and their counsel by providing truthful information (to the extent that such information is in the possession, custody or control of the Settling Defendants) related to the allegations made in the Action against the remaining Defendants in the Action, and the Unnamed Consultants as referred to in the Notice of Civil Claim;

WHEREAS the Plaintiffs have agreed to accept this settlement, in part, because of the significant value of the cooperation the Settling Defendants agree to render or make available to the Plaintiffs and their counsel, pursuant to this Settlement Agreement, as “first-in” settling defendants at an early stage of this Action, as well as the attendant litigation and other risks in light of the potential defences that may be asserted by the Settling Defendants and the filing by Beleave for creditor protection in the CCAA Proceeding;

WHEREAS, as part of this resolution, the Settling Defendants have agreed to make a settlement payment for the benefit of the Class in exchange for a full and final nation-wide release of all claims against Wnek and Krasic and the current and former officers, directors, managers, employees and insurers, including The Guarantee Company of North America (“Guarantee”) of Beleave, a covenant not to sue Beleave and its Affiliates and a bar order in respect of all claims against the Settling Defendants and Beleave's Affiliates, in light of their potential risks of liability inherent in uncertain, complex and protracted litigation, and to avoid the further expense, inconvenience, and burden of this litigation;

WHEREAS, as a result of the Action, the Parties are reasonably familiar with the factual and legal issues presented by their respective claims and defenses in the Action, and recognize the uncertainties as to the ultimate outcome in the Action, and the likelihood that any final result could require years of further complex litigation and substantial expense, including with respect to appeals and enforcement of any judgment that may ultimately be rendered;

WHEREAS, this Settlement Agreement was entered into after extensive arm’s length discussions and negotiations between counsel for the Plaintiff and counsel for the Settling Defendants;

WHEREAS, the Parties and their counsel agree that the Settlement represents a fair, reasonable, and adequate resolution of the claims advanced, and which could have been advanced, against the Settling Defendants in the Action;

WHEREAS, the Parties desire and intend to seek court approval of the Settlement as set forth in this Settlement Agreement;

WHEREAS, the Settling Defendants do not admit through the execution of this Settlement Agreement or otherwise any of the unlawful conduct alleged, or which could have been alleged, in the Action;

WHEREAS the Settling Defendants are entering into this Settlement Agreement in order to achieve a full, final and nation-wide resolution of all claims asserted or which could have been asserted against them by the Plaintiffs in the Action or claims which could in the future be brought on the basis of the same or similar events, actions and omissions underlying the Action, and to avoid further expense, inconvenience and the distraction of burdensome, complex and protracted litigation; and

NOW, THEREFORE, for value received, the Parties stipulate and agree, subject to Court approval, to the following.

II. DEFINITIONS

1. As used in the Settlement Agreement, including the Recitals and Schedules hereto, in addition to any definitions elsewhere in the Agreement, the following terms shall have the meanings set forth below:

- (a) "**Affiliates**" means, in respect of any person, any other person or group of persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person first mentioned, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities, by contract or otherwise;
- (b) "**Class Counsel**" means the law firm of Bennett Mounteer LLP and Camp Fiorante Matthews Mogerman;

- (c) **"Class Member"** means the members of the Class as defined in paragraph 100 of the Notice of Civil Claim.
- (d) **"Court"** means the Supreme Court of British Columbia;
- (e) **"Document"** means any document that is relevant to the claims made in this Action and has an extended meaning, as under Rule 1.1(1) of the *B.C. Rules of Court*, and includes a photograph, film, recording of sound, any record of a permanent or semi-permanent character and any information recorded or stored by means of any device;
- (f) **"Effective Date of Settlement"** means the next calendar day after the day on which all appellate rights with respect to the Settlement Approval Orders have expired or have been exhausted or such other date as may be agreed upon by all of the Parties in writing;
- (g) **"Non-Settling Defendants"** means the Defendants or others who may be added as defendants at any time and includes the Unnamed Consultants, as that term is defined in the Notice of Civil Claim;
- (h) **"Settlement"** means the settlement described in this Settlement Agreement;
- (i) **"Settlement Administration Plan"** means a plan setting out the terms of the administration of the Settlement in respect of funds received by Class Counsel under the Settlement for the benefit of the Action;
- (j) **"Settlement Amount"** means the all-inclusive sum of two million, four hundred thousand dollars in lawful Canadian currency (CAD \$2,400,000), which is to be funded by Guarantee under the policy of insurance issued by Guarantee to Beleave, policy no. 01 12891-2 (the "Guarantee Policy"), and which is not an obligation of Beleave or any of its present or former directors and officers, including Wnek and Krasic, beyond the available insurance proceeds under the Guarantee Policy;

- (k) **"Settlement Approval Hearing"** means the date the Court is scheduled to consider the Settlement Approval Order;
- (l) **"Settlement Approval Orders"** means the orders respectively made by (1) the Court in the Action approving the Settlement Agreement, which order shall be substantially in the form attached as Schedule "A"; and (2) the CCAA Court, which order shall be substantially in the form attached as Schedule "B";
- (m) **"Settlement Fund"** means a trust account held by Class Counsel which will hold the Settlement Amount.

III. APPROVAL PROCESS

2. The Parties shall respectively take all reasonable steps to expeditiously effectuate this settlement and to secure the prompt dismissal of the Action against Wnek and Krasic and discontinuance of the Action as against Beleave, including the Plaintiffs cooperating in the Settling Defendants' efforts to obtain the Settlement Approval Order from the CCAA Court, including an order lifting the CCAA Stay Order in respect of the Action and any further or other orders required from the CCAA Court to implement the Settlement Agreement, and the Settling Defendants cooperating in the Plaintiffs' efforts to obtain the Settlement Approval Order from the Court and any further or other orders required from the Court to implement the Settlement Agreement .
3. As soon as is reasonably practical, the Settling Defendants, with the support of the Plaintiffs, shall apply to the CCAA Court for the Settlement Approval Order and to lift the CCAA Stay Order in respect of the Action for the sole purpose of permitting the Plaintiffs to apply to the Court for approval and implementation of this Settlement Agreement.
4. As soon as is reasonably practical following receipt of the order made by the CCAA Court referred to in section 3, the Plaintiffs shall apply to the Court for the Settlement Approval Order.
5. At the Settlement Approval Hearing, the Plaintiff will apply for the Settlement

Approval Order of the Court, and the Amended Notice of Civil Claim to be attached as Schedule "A" to the Settlement Approval Order of the Court shall include the following plea:

xx. Effective July 31, 2020, the Plaintiff and the Class entered into a Settlement Agreement with the former Defendants, Beleave Inc., Andrew Wnek, and Bojan Krasic (together, the "Settling Defendants"). The Settlement Agreement was approved by the Supreme Court of British Columbia by order made [date], 2020.

xx. Pursuant to the Settlement Agreement, the Plaintiff and Class waive all rights to recover from the Settling Defendants and, as applicable, their Affiliates, any portion of their damages which are attributable to any fault of the Settling Defendants, any of their Affiliates and, as applicable, their past and present employees, directors, officers, managers, insurers, and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

6. Class Counsel may seek court approval of class counsel fees, disbursements and honouraria to the representative plaintiffs either at or subsequent to the Settlement Approval Hearing. The Settling Defendants will take no position on that approval application. Approval of the settlement will not depend on approval of fees, disbursements or honouraria.
7. If the Settlement Approval Orders are not granted, are inconsistent with the terms of the Settlement Agreement or are reversed or modified on appeal, then, except for the circumstances described in paragraphs 8 and 9 below or unless the Parties expressly agree otherwise in writing:
 - (a) this Settlement Agreement and all orders made pursuant to it shall be null and void, shall have no further force and effect with respect to the Parties, and shall not be offered in evidence or used in any litigation for any purpose; and

- (b) all orders in existence as of the date on which this Settlement was executed shall become operative and fully effective, as if proceedings relating to this Settlement had not occurred. In such event, the Parties reserve all rights to object to or otherwise challenge all such pre-existing orders, including the right to make appropriate scheduling requests and seek extensions of any applicable deadlines (and the Parties agree to provide their consent to any such reasonable requests or extensions).
- 8. The parties shall use best efforts to obtain from the Court the relief set out at paragraphs 13-19 of the Settlement Approval Order attached as Schedule "A"; however, should the Court decline to grant this relief notwithstanding the parties' best efforts, then this shall not function as a basis for triggering paragraphs 7(a) and (b) of this Settlement Agreement.
- 9. The parties shall use best efforts to obtain from the CCCA Court the relief set out at paragraphs 5-10 of the Settlement Approval Order attached as Schedule "B"; however, should the CCAA Court decline to grant this relief notwithstanding the parties' best efforts, then this shall not function as a basis for triggering paragraphs 7(a) and (b) of this Settlement Agreement.
- 10. As soon as reasonably possible after the Effective Date, and within no more than fifteen (15) days, the Plaintiffs shall promptly discontinue the Action as against Beleave.

IV. SETTLEMENT PAYMENT

- 11. At least 15 days prior to the Settlement Approval Hearing, the Settling Defendants will pay, or cause to be paid, the Settlement Amount to Bennett Jones LLP, in trust with irrevocable instructions to Bennett Jones LLP to:
 - (a) hold the Settlement Amount in an interest-bearing trust account pending the Settlement Approval Orders;
 - (b) if the Settlement is not approved in accordance with the terms of this Settlement Agreement, to return the Settlement Amount and all interest earned thereon to the Settling Defendants upon their request to do so; and

- (c) if the Settlement is approved in accordance with the terms of this Settlement Agreement, to pay the Settlement Amount and all accrued interest thereon, to Bennett Mounteer LLP in trust within 15 days after the Effective Date.
12. Upon receiving the Settlement Amount, Class Counsel will deposit those monies into the Settlement Fund.
13. The Settling Defendants monetary obligations under the Settlement are limited to those set out in para. 11 above. For greater clarification, the payment of all expenses and costs of the Settlement, including, without limitation, Class Members' claims, legal fees, the plaintiffs' share of mediation expenses, honouraria, administration expenses, taxes, and notice costs shall be paid out of the Settlement Amount and the Settling Defendants shall have no further liability in respect of any these (or any other) expenses or costs.
14. The Settling Defendants shall have no legal or beneficial interest in the Settlement Fund.

V. COOPERATION – SCOPE OF COOPERATION

15. The Settling Defendants agree to provide reasonable cooperation to the Plaintiffs and Class Counsel in accordance with the requirements of this Part V.
16. The Parties respectively acknowledge and agree that all information and Documents provided by the Settling Defendants to the Plaintiffs under this Settlement Agreement may be used by the Plaintiffs in connection with the investigation, prosecution and settlements of the claims in the Action including, without limitation, the prosecution of the claims in the Action against the Non-Settling Defendants, provided that such information and Documents shall not be used directly or indirectly for any other purpose. The Parties further acknowledge and agree that all information and Documents provided by the Settling Defendants to the Plaintiffs under this Settlement Agreement shall be held and treated in strict confidence in accordance with this Settlement Agreement, and shall not be otherwise disclosed to any person in any manner, directly or indirectly, by the Plaintiffs in any way for any reason except in accordance with this Settlement

Agreement or with the express prior written consent of the Settling Defendants. The Plaintiffs shall take all reasonable steps and precautions to ensure and maintain the confidentiality of the information and Documents.

17. The cooperation that is to be provided by the Settling Defendants' under this Settlement Agreement shall be limited strictly to the allegations currently contained in the Action, as set out in the proposed Amended Notice of Civil Claim attached to the Notice of Application filed March 13, 2020 in BCSC No. S-202110.
18. On the Execution Date or at a later time mutually agreed upon by the Plaintiffs and the Settling Defendants, the Settling Defendants shall instruct counsel for the Settling Defendants to preserve the Documents and to maintain a copy of such Documents that will remain in the possession of counsel for the Settling Defendants for the purpose of compliance by the Settling Defendants with this Part V. Within sixty (60) days of the Settlement Approval Orders, these Documents shall be produced to the Plaintiffs.
19. At the request of the Plaintiffs and upon reasonable notice, Wnek and Krasic shall:
 - (a) make themselves available to provide information relating to the allegations in the Action in a personal interview with Class Counsel, on a mutually convenient date and at a location chosen by Wnek and Krasic in their sole discretion. Each such interview shall take place on a single day and shall last no more than six (6) hours, including reasonable breaks, except for good cause and may be transcribed by a court reporter; and
 - (b) make themselves reasonably available to provide evidence at trial of the Action, or to be reasonably available to provide an affidavit or declaration and attend at a cross-examination in support of the certification in the Action or in the event of a summary judgment application brought against the Plaintiffs in the Action.
20. The reasonable costs and expenses of Wnek and Krasic in relation to providing the information and evidence set out in paragraph 19 shall be the responsibility of the Plaintiffs.

21. The provisions set forth in this Part V shall constitute the exclusive means by which the Plaintiffs may obtain discovery and/or evidentiary disclosure from the Settling Defendants for the purposes of any certification and/or any other application, for discovery and/or for trial in connection with the Action, and the Plaintiffs shall pursue no other means of discovery and/or evidentiary disclosure as against the Settling Defendants in connection with the Action.
22. The obligations of the Settling Defendants under this Part V, including but not limited to any subsequent requests by the Plaintiffs for the production or access to information and Documents relating to the Settling Defendants, shall be contingent upon the ability of the Settling Defendants to lawfully and/or practically meet such obligations or requests, subject to the filing or granting of creditor protection and/or insolvency relief under the *Companies' Creditors Arrangement Act* and/or related legislation in Canada. In particular but without limitation, none of the obligations under this Part V shall obligate the Settling Defendants to provide access to, produce or otherwise make available information or Documents that the Settling Defendants are no longer able or permitted to access as a result of the filing or granting of creditor protection and/or insolvency relief. The Settling Defendants agree that they shall not seek any limitations or restriction imposed on their ability to cooperate in accordance with this Settlement Agreement by the CCAA Court.
23. Nothing in this Settlement Agreement shall require, or shall be construed to require, the Settling Defendants to perform any act which would violate any provincial, federal or foreign law, to disclose or produce any information or Documents prepared by or for counsel for the Settling Defendants, or to disclose or produce any information or Documents subject to solicitor-client privilege or other forms of privilege or immunity.
24. Subject to the other provisions of this Part V, the obligations of the Settling Defendants to produce Documents pursuant to this Part V shall be a continuing obligation to make reasonable additional productions to the extent that the Settling Defendants become aware of and collect further Documents following the initial production.

25. A material factor influencing the Settling Defendants' decision to execute this Settlement Agreement is their desire to limit the burden and expense of the Action. Accordingly, the Plaintiffs agree to exercise good faith in seeking cooperation from the Settling Defendants, and to avoid seeking information that is unnecessary, cumulative or duplicative and agree otherwise to avoid imposing undue or unreasonable burden or expense on the Settling Defendants.
26. The Plaintiffs may seek directions and/or orders from the Court relating to their rights under this Part V should the Settling Defendants not act reasonably in terms of its/their obligations under this Part V, or act in a manner that is inconsistent with the spirit and intent of this Part V, including, but not limited to, the resolution of any dispute concerning any claim of privilege by the Settling Defendants over any Document. Likewise, the Settling Defendants may seek directions and/or orders from the Court relating to their rights under this Part V should the Plaintiffs or Class Counsel not act reasonably under this Part V, or act in a manner that is inconsistent with the spirit and intent of this Part V.
27. The Settling Defendants' obligation to cooperate under this Settlement Agreement shall cease at the date of final judgment in the Action as against all Defendants (or, if applicable, the date of any settlement approval order that disposes of the Action). Following the Effective Date, in the event the Plaintiffs allege a material breach by any one or more of the Settling Defendants of their obligations under this Part V, the Plaintiff shall have the right to apply to the Court for specific performance in respect of such obligations and to seek such further or other relief as the Court determines is appropriate.
28. No costs and expenses incurred by the Settling Defendants pursuant the Settling Defendants' obligation to cooperate under this Part IV are the responsibility of Guarantee under the Guarantee Policy or otherwise.

VI. RELEASE AND COVENANT NOT TO SUE

29. Upon the Effective Date of Settlement, the Plaintiffs and Class Members forever release, relinquish and discharge Wnek and Krasic, and all of the current and former officers, directors, managers, employees and insurers of Beleave, including

Guarantee, from any and all claims, demands, actions, proceedings, suits, causes of action and manners of action of any and all kinds that have been brought or could have been brought, are currently pending or were pending, or are ever brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, arising from the claims made, or which could have been made, in the Action, whether class, individual or otherwise in nature, directly, indirectly, derivatively, or in any other capacity, and without limiting the generality of the foregoing, all claims relating to any and all of the proposed common and individual issues made, arising from or relating to the pleaded facts, or the facts which could have been pled, in the Action.

30. Upon the Effective Date of Settlement, the Plaintiff and the Class Members, covenant and agree that they will not bring, commence, prosecute or maintain, or cause or permit to be brought, commenced, prosecuted or maintained, or otherwise join, assist, aid or act in concert in any manner whatsoever, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or person, against Beleave and its Affiliates any claims, demands, actions, proceedings, suits, causes of action and manners of action that have been brought or could have been brought, are currently pending or were pending, or which could be brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, whether civil, criminal, regulatory or otherwise, arising from or in any way relating to the pleaded facts, or the facts which could have been pled, in the Action, including, without limitation, with respect to the Beleave securities purchased or sold in 2018, and agree not to make any such claim in the CCAA Proceeding or otherwise.
31. The Parties expressly acknowledge and agree that the covenants set out in paragraph 30 above is not a Release, and shall not be construed to be a Release, and that the Plaintiffs and Class Members expressly reserve all rights of action, claims and demands they have against the remaining Defendants in the Action or others concerning Beleave, except that the Plaintiffs and Class Members covenant, undertake and agree that they will not seek to recover in the Action, or

by any other proceedings or means, any portion of the losses they claim, or could claim, in the Action which a court or other tribunal may attribute to Beleave or its Affiliates.

VII. SETTLEMENT ADMINISTRATION

32. On or after the Settlement Approval Hearing, the Plaintiff will apply to the Court for approval of the Settlement Administration Plan. The Settlement Administration Plan will set out:
- (a) the form and procedure by which notice of the Settlement shall be provided to the Class Members, including notice of the legal fees and expenses paid or payable to Class Counsel and the procedure by which Class Members can opt-out of the Settlement;
 - (b) the procedure by which Class Members can claim an entitlement under the Settlement; and
 - (c) the procedure for the determination of eligible claims and the amount of those claims, and the subsequent payment of them.
33. The Court shall have complete discretion to either approve or amend the Settlement Administration Plan. The Settlement Administration Plan shall not form part of this Settlement Agreement and the approval of the Settlement shall not be contingent on either the approval of the Settlement Administration Plan or the presentation of the Settlement Administration Plan.
34. The Settling Defendants shall not have standing to make submissions regarding the Settlement Administration Plan.
35. The Settlement Fund shall be disbursed in accordance with the Settlement Administration Plan or as otherwise directed by the Court.
36. In order to assist the Plaintiffs in the settlement administration, Beleave will make reasonable efforts to compile a list of the names and addresses of persons in Canada who purchased securities of Beleave during the Class Period (as defined

in the Notice of Civil Claim) and shall deliver that list to the Plaintiffs as soon as practicable, and in any event, no later than sixty (60) business days after approval by the Court of the Settlement Administration Plan.

VIII. GENERAL

37. The recitals to this Settlement Agreement are true and accurate, and form part of this Settlement Agreement.
38. This Settlement Agreement and its attachments shall constitute the entire agreement of the Parties and shall not be subject to any change, modification, amendment or addition without the express written consent of counsel on behalf of all Parties to the Settlement Agreement. This Settlement Agreement supersedes and replaces all prior negotiations, discussions, communications and proposed agreements, whether written or oral.
39. The division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement.
40. Words in the singular include the plural and vice-versa and words in one gender include all genders.
41. In the event any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision if the Parties mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement.
42. The Court shall retain continuing jurisdiction over the Parties and over the administration and enforcement of the Settlement and the benefits to the Plaintiff and Class Members hereunder.
43. Any disputes or controversies arising with respect to the interpretation, enforcement, or implementation of this Settlement Agreement must be made by application to the Court.

44. Class Counsel warrants that they are fully authorized to execute this Settlement Agreement on behalf of the Plaintiffs and the Class Members and to execute and legally bind the Plaintiffs and the Class Members to this Settlement Agreement.
45. Bennett Jones LLP warrants that it is fully authorized to execute this Settlement Agreement on behalf of Beleave.
46. Osler, Hoskin & Harcourt LLP warrants that it is fully authorized to execute this Settlement Agreement on behalf of Wnek and Krasic.
47. This Settlement Agreement may be executed in counterparts by the Parties or their representatives, and a facsimile or electronically transmitted signature shall be deemed an original signature for purposes of this Settlement Agreement and of equally binding force and effect.
48. This Settlement Agreement shall be construed under and governed by the laws of the Province of British Columbia.
49. The Parties have negotiated and fully reviewed the terms of this Settlement Agreement, and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction of this Settlement Agreement by a court of law or any other adjudicating body.
50. The Agreement, including any addendums thereto, is for settlement purposes only, and conditional upon the making of final orders approving the Settlement in the Action, and neither the fact of, nor any provision contained in, this Agreement nor any action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim or any factual allegation that was or could have been made by the Plaintiffs, Class Members, or by the Settling Defendants, in the Action, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of the Settling Defendants. The Settling Defendants expressly deny any and all allegations of wrongdoing, fault, violation of law and liability. The Agreement, including any addendums thereto, shall not be offered or be admissible in evidence by or against the Settling Defendants or cited or referred to in any other action, investigation or proceeding, except (1) in any action or proceeding brought by or

against the Parties to enforce or otherwise implement the terms of this Agreement, or (2) in any action involving the Plaintiffs, Class Members, or any of them, to support a defense of res judicata, estoppel, release, or other theory of claim preclusion, issue preclusion, or similar defense.

51. Any press release or public statements made to the media by the Plaintiffs or Class Counsel about the Settlement shall be in a form agreed upon by the Parties, acting reasonably. The Parties agree that any such press release or public statements shall be consistent with the terms of the Settlement Agreement, including that the Settlement has been negotiated and agreed to without any admissions or findings of liability or wrongdoing, and without any admissions or conclusions as to the truth of any of the matters alleged in the Action, with all such allegations being expressly denied by the Settling Defendants.
52. Whenever, under the terms of this Agreement, a person is required to provide service or written notice to the Plaintiffs, Class Members, Class Counsel or the Settling Defendants, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other Parties in writing:

As to the Plaintiffs, Class Members and Class Counsel:

Mark W. Munteer
Bennett Munteer LLP
400 – 856 Homer Street
Vancouver, BC V6B 2W5
Fax: (604) 639-3681
E-mail: mm@hbmlaw.com


As to Beleave Inc.:

Alan P. Gardner
Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, ON, M5X 1A4
Fax: (416) 863-1716
E-mail: gardnera@bennettjones.com

As to Andrew Wnek and Bojan Krasic:

Craig Lockwood
 Osler, Hoskin & Harcourt LLP
 6200 One First Canadian Place, P.O. Box 50
 Toronto ON M5X 1B8
 Fax: (416) 862-6666
 E-mail: clockwood@osler.com

IN WITNESS THEREOF, the Parties hereto have executed this Settlement Agreement as follows:

Date: October 14/2020 By: 
 Paul R. Bennett as Class Counsel
 on behalf of the Plaintiffs and
 Class Members

Date: _____ By: _____
 Alan P. Gardner, Bennett Jones LLP
 on behalf of Beleave Inc.

Date: _____ By: _____
 Craig Lockwood, Osler, Hoskin &
 Harcourt LLP
 on behalf of Andrew Wnek and
 Bojan Krasic

SCHEDULE "A"

No. S-197731
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

MICHAEL TIETZ and DUANE LOEWEN

PLAINTIFFS

And

BRIDGEMARK FINANCIAL CORP., JACKSON & COMPANY PROFESSIONAL CORP., ANTHONY JACKSON, LUKOR CAPITAL CORP., JUSTIN EDGAR LIU, ROCKSHORE ADVISORS LTD. (FORMERLY KNOWN AS CAM PADDOCK ENTERPRISES INC.), CAMERON ROBERT PADDOCK, KONSTANTIN LICHTENWALD, SIMRAN SINGH GILL, JCN CAPITAL CORP., JOHN BEVILACQUA, ESSOS CORPORATE SERVICES INC., SWAY CAPITAL CORP., VON ROWELL TORRES, DETONA CAPITAL CORP., DANILEN VILLANUEVA, NATASHA JON EMAMI, ALTITUDE MARKETING CORP., RYAN PETER VENIER, PLATINUM CAPITAL CORP., 658111 B.C. LTD., JASON CHRISTOPHER SHULL, TRYTON FINANCIAL CORP., ABEIR HADDAD, TAVISTOCK CAPITAL CORP., ROBERT JOHN LAWRENCE, JARMAN CAPITAL INC., SCOTT JASON JARMAN, NORTHWEST MARKETING AND MANAGEMENT INC., RUFIZA ESMail, DENISE TRAINOR, ALY BABU MAWJI, ESCHER INVEST SA, HUNTON ADVISORY LTD., RANDY WHITE, KENDL CAPITAL LIMITED, 1153307 B.C. LTD., RUSSELL GRANT VAN SKIVER, BERTHO HOLDINGS LTD., ROBERT WILLIAM BOSWELL, HAIGHT-ASHBURY MEDIA CONSULTANTS LTD., ASHKAN SHAHROKHI, SAIYA CAPITAL CORPORATION, TARA HADDAD, KEIR PAUL MACPHERSON, TOLLSTAM & COMPANY CHARTERED ACCOUNTANTS, ALBERT KENNETH TOLLSTAM, 727 CAPITAL, DAVID RAYMOND DUGGAN, VIRAL STOCKS INC., 10X CAPITAL, CRYPTOBLOC TECHNOLOGIES CORP., NEIL WILLIAM STEVENSON-MOORE, KENNETH CLIFFORD PHILLIPPE, BRIAN BILES, KOOTENAY ZINC CORP., ROBERT TINDALL, AFFINOR GROWERS INC., NICHOLAS BRUSATORE, SAM CHAUDHRY, GREEN 2 BLUE ENERGY CORP., SLAWOMIR SMULEWICZ, MICHAEL YOUNG, GLENN LITTLE, BELEAVE INC., ANDREW WNEK, BOJAN KRASIC, CITATION GROWTH CORP. (FORMERLY KNOWN AS LIHT CANNABIS CORP. AND MARAPHARM VENTURES INC.), LINDA SAMPSON, DAVID ALEXANDER, YARI ALEXANDER NIEKEN, HANSPaul PANNu, BLOK TECHNOLOGIES INC., ROBERT DAWSON, JAMES HYLAND, PREVECEUTICAL MEDICAL INC., STEPHEN VAN DEVENTER, SHABIRA RAJAN, ABATTIS BIOCEUTICALS CORP., ROBERT ABENANTE, KENT MCPARLAND, SPEAKEASY CANNABIS CLUB LTD., MARC GEEN, MERVYN GEEN, JEREMY ROSS, ALEXANDER KAULINS, KOPR POINT VENTURES INC. (FORMERLY KNOWN AS NEW POINT EXPLORATION CORP.), AND BRYN GARDENER-EVANS

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

**ORDER MADE AFTER APPLICATION
(Settlement Approval)**

BEFORE)	THE HONOURABLE)	[DAY], THE ____
)	MADAM JUSTICE WILKINSON)	DAY OF ____ 2020
))	

ON THE APPLICATION of the Plaintiffs, Michael Tietz and Duane Loewen, coming on for hearing at Vancouver, British Columbia, on the [DATE], and on hearing Paul R. Bennett and Mark W. Mounteer, counsel for the Plaintiffs and the Class; Alan P. Gardner, counsel for the Defendant, Beleave Inc.; Craig Lockwood, counsel for the Defendants, Andrew Wnek and Bojan Krasic [and any other appearances].

THIS COURT ORDERS AND DECLARES that:

1. The Settlement Agreement dated for reference July 31, 2020, attached as Schedule "A" to this Order, is approved and is incorporated by reference into this Order.
2. This action is certified as a class proceeding against the Settling Defendants only for the purpose of, and in accordance with the terms of, the Settlement Agreement.
3. Class Members are defined for settlement purposes as set out in paragraph 100 of the Notice of Civil Claim filed July 11, 2019.
4. The Settlement Common Issue certified for determination is whether misrepresentations were made in the public disclosure made by Beleave concerning the Private Placements which closed on April 27, 2018 and June 12, 2018.
5. The Plaintiffs are appointed as the Representative Plaintiff on behalf of the Class Members.
6. This Order, including the Settlement Agreement, is binding upon each Class Member who does not validly opt-out of the Settlement in accordance with the

terms of the Settlement Administration Plan, to be approved by the Court at a later date.

7. This Order, including, without limiting the generality of the foregoing, the certification of this Action against the Settling Defendants, and the definitions of the Class and the Settlement Common Issue, is without prejudice to any position a Non-Settling Defendant may take in this Action.
8. The Plaintiff and Class Members forever release, relinquish and discharge the Defendants, Andrew Wnek and Bojan Krasic, and all of the current and former officers, directors, managers, employees and insurers of Beleave Inc., including The Guarantee Company of North America ("Guarantee"), from and against any and all claims, demands, actions, proceedings, suits, causes of action and manners of action that have been brought or could have been brought, are currently pending or were pending, or are ever brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, arising from or relating in any way to the claims made, or which could have been made, in this Action, whether class, individual or otherwise in nature, and whether directly, indirectly, derivatively or in any other capacity.
9. All claims for contribution, indemnity, other claims over and other relief, whether asserted, unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the claims against the Settling Defendants, which were or could have been brought in this Action, in any other proceeding, or otherwise by any Non-Settling Defendant, as defined in the Settlement Agreement, against any Settling Defendant or any affiliate of any Settling Defendant, or by any Settling Defendant against any Non-Settling Defendant, any named or unnamed co-conspirator that is not a Settling Defendant, or any other person, are barred, prohibited and enjoined in accordance with the terms of this Order (unless such claim is made in respect of a claim by a person who has validly opted out of the Settlement).

10. If this Court ultimately determines that a claim for contribution, indemnity, other claims over or any other relief, whether in equity, in law, by statute, by regulation or otherwise, is a legally recognized claim:
 - a. The Class shall not be entitled to claim or recover from the Non-Settling Defendants that portion of any damages, restitutionary award, disgorgement of profits, interest and costs that corresponds to the proportionate liability of the Settling Defendants proven at trial or otherwise;
 - b. The Class shall only be entitled to claim and recover from the Non-Settling Defendants those claims for damages, restitutionary award, disgorgement of profits, interest and costs attributable to the aggregate of the several liability of the Non-Settling Defendants, and for greater certainty, the Class shall be entitled to claim and seek to recover on a joint and several basis as between the Non-Settling Defendants, if permitted by law; and
 - c. This Court shall have full authority to determine the proportionate liability of the Non-Settling Defendants at the trial or other disposition of the action, whether or not the Non-Settling Defendants appear at the trial, and the proportionate liability of the Settling Defendants shall be determined as if the Settling Defendants are parties to this Action and any determination by this Court in respect of the proportionate liability of the Settling Defendants shall only apply in this Action and shall not be binding in any other proceeding.
11. Nothing in this Order is intended to or shall limit, restrict or affect any arguments that the Non-Settling Defendants may make regarding the reduction of any assessment of damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs or judgment against them in favour of the Class, or the rights of the Class to oppose or resist any such arguments, except as provided for in this Order;
12. The Action is dismissed as against the Defendants Andrew Wnek and Bojan Krasic, and the Plaintiffs are granted leave to discontinue the action against Beleave Inc., except for the purpose of ongoing settlement administration by the Court.

13. Any amounts paid by Guarantee pursuant to the Settlement Agreement are fair and reasonable in all the circumstances and for all purposes.
14. The payment by Guarantee pursuant to the Settlement Agreement does not violate the interests of any party to the Action, or any other party who might have a claim against any person or entity potentially covered under the policy of insurance issued by Guarantee to Beleave, policy no. 01 12891-2 (the "Guarantee Policy").
15. Without prejudice to Guarantee's coverage position in relation to the Action and its obligations, if any, to any other defendant or potential defendant to the Action who is potentially covered under the Guarantee Policy, all amounts paid by Guarantee pursuant to the Settlement shall constitute covered Loss (as defined in the Guarantee Policy).
16. Guarantee's contribution pursuant to the Settlement shall, to the extent of the amount paid, and any other amounts paid by Guarantee on the Settling Defendants' behalf for defence of all Claims (as defined in the Guarantee Policy) against the Settling Defendants, reduce the Limits of Liability under the Guarantee Policy for all purposes and as against all persons or entities potentially covered and/or all persons seeking to assert a Claim under the Guarantee Policy, regardless of any subsequent finding by any court, tribunal, administrative body or arbitrator, in any proceeding or action, that the Settling Defendants engaged in conduct that may have triggered any exclusion, term or condition of the Guarantee Policy so as to disentitle the Settling Defendants to coverage under the Guarantee Policy.
17. Guarantee's contribution pursuant to the Settlement is without prejudice to the coverage positions taken by it in relation to the Action and to any other matter or Claim (as defined in the Guarantee Policy) as previously advised to the Settling Defendants by Guarantee and to all rights previously reserved by Guarantee.
18. To the extent any payment made by Guarantee to the date of this Order, including any and all payments pursuant to the Settlement, Guarantee shall be released from any and all Claims (as defined in the Guarantee Policy) against it under or in relation to the Guarantee Policy, including Claims relating to or arising from the Action, all commitments in relation to and/or payments made under the Guarantee

Policy and for reimbursement of Defence Costs (as defined in the Guarantee Policy) incurred by any person or entity potentially covered by or under the Guarantee Policy.

19. All persons and entities provided with notice of this Motion shall be bound by the declarations made in, and the terms of, this Order.
20. The Notice of Civil Claim is amended in the form attached as Schedule "A".

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

Signature of Paul R. Bennett
Lawyer for the Plaintiffs, Michael Tietz and
Duane Loewen

Signature of Alan P. Gardner
Lawyer for the Defendant, Beleave Inc.

Signature of Craig Lockwood
Lawyer for the Defendants, Andrew Wnek
and Bojan Krasic

By the Court.

Registrar

THIS ORDER was prepared by the law firm of Bennett Mounteer LLP, whose place of business and address for service is #400 – 856 Homer Street, Vancouver, British Columbia, V6B 2W5. Telephone: (604) 639-3680. Fax: (604) 639-3681. Counsel Reference: Paul R. Bennett and Mark W. Mounteer

SCHEDULE "B"

Court File No. CV-20-00642097-00CL

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

THE HONOURABLE) _____, THE ____
JUSTICE)
DAY OF OCTOBER, 2020

**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 BELEAVE
INC., BELEAVE KANNABIS CORP., SEVEN OAKS INC., 9334416 CANADA INC.
O/A MEDI-GREEN AND MY-GROW, BELEAVE KANNABIS ABBOTSFORD INC.
AND BELEAVE KANNABIS CHILLIWACK INC.**

(collectively, the "Applicants" and each an "Applicant")

**ORDER
(Lifting the Stay of Proceedings)**

THIS MOTION made by the Applicants for an Order, *inter alia*, (i) authorizing Beleave Inc. to enter into the settlement agreement between the plaintiffs (the "**Plaintiffs**") in the class action commenced in the British Columbia Supreme Court (the "**BCSC**") styled *Tietz et al. v Bridgemark Financial Corp. et al.*, Vancouver Court File No. S-197731 (the "**Class Action**"), on the one hand, and Beleave Inc. and former officers and directors of Beleave Inc., Messrs. Andrew Krasic and Bojan Wnek, on the other hand; (ii) lifting the stay of proceedings as against Beleave Inc. and Messrs. Krasic and Wnek solely for the purpose of seeking approval of the Settlement Agreement from the BCSC; and (iii) granting certain declaratory relief to The Guarantee Company of North America

(“**Guarantee**”), as the insurer funding the payment obligations provided for in the Settlement Agreement;

ON READING the Motion Record of the Applicants and the Fifth Report of Grant Thornton Limited in its capacity as monitor of the Applicants (the “**Monitor**”) dated ●, 2020, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Plaintiffs, counsel for the defendant, Beleave Inc., in the Class Action, counsel for the defendants, Messrs. Wnek and Krasic, in the Class Action, and such other counsel as were present, no one appearing for any other party although duly served as appears from the affidavit of service, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement dated for reference July 31, 2020 (the “**Settlement Agreement**”) and attached as Schedule “A” to this Order is hereby incorporated by reference into this Order. Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

3. **THIS COURT ORDERS AND DECLARES** that Beleave Inc. is hereby authorized to enter into and execute the Settlement Agreement and to take such steps as are contemplated thereunder.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS AND DECLARES** that the stay of proceedings granted in paragraphs 14 and 19 of the Amended and Restated Initial Order of the Honourable Madam Justice Conway made June 15, 2020, as extended, be and is hereby lifted and shall not apply only in respect of the motion to the BCSC for approval of the Settlement Agreement, and for no other purpose, and, for greater certainty, any amount payable under the Settlement Agreement is being funded entirely by Guarantee under an insurance policy issued by Guarantee to Beleave.

INSURANCE

5. **THIS COURT ORDERS AND DECLARES** that any amounts paid by Guarantee pursuant to the Settlement Agreement are fair and reasonable in all the circumstances and for all purposes.

6. **THIS COURT ORDERS AND DECLARES** that any payment by Guarantee pursuant to the Settlement Agreement does not violate the interests of any party to the Class Action, or any other party who might have a claim against any person or entity potentially covered under the policy of insurance issued by Guarantee to Beleave Inc., policy no. 01 12891-2 (the "Guarantee Policy").

7. **THIS COURT ORDERS AND DECLARES** that, without prejudice to Guarantee's coverage position in relation to the Class Action and its obligations, if any, to any other defendant or potential defendant to the Class Action who is potentially covered under the Guarantee Policy, all amounts paid by Guarantee pursuant to the Settlement Agreement shall constitute covered Loss (as defined in the Guarantee Policy).

8. **THIS COURT ORDERS AND DECLARES** that Guarantee's contribution pursuant to the Settlement Agreement shall, to the extent of the amount paid, and any other amounts paid by Guarantee on the Settling Defendants' behalf for defence of all Claims (as defined in the Guarantee Policy) against the Settling Defendants, reduce the Limits of Liability under the Guarantee Policy for all purposes and as against all persons or entities potentially covered and/or all persons seeking to assert a Claim under the Guarantee Policy, regardless of any subsequent finding by any court, tribunal, administrative body or arbitrator, in any proceeding or action, that the Settling Defendants engaged in conduct that may have triggered any exclusion, term or condition of the Guarantee Policy so as to disentitle the Settling Defendants to coverage under the Guarantee Policy.

9. **THIS COURT ORDERS AND DECLARES** that Guarantee's contribution pursuant to the Settlement Agreement is without prejudice to the coverage positions taken by it in relation to the Class Action and to any other matter or Claim (as defined in the Guarantee Policy) as previously advised to the Settling Defendants by Guarantee and to all rights previously reserved by Guarantee.

10. **THIS COURT ORDERS AND DECLARES** that, to the extent of any payment made by Guarantee in connection with the settlement of the Class Action, including any and all payments pursuant to the Settlement Agreement, Guarantee shall be released from any and all Claims (as defined in the Guarantee Policy) against it under or in relation to the Guarantee Policy, including Claims relating to or arising from the Class Action, all commitments in relation to and/or payments made under the Guarantee Policy and for reimbursement of Defence Costs (as defined in the Guarantee Policy) incurred by any person or entity potentially covered by or under the Guarantee Policy.

GENERAL

11. **THIS COURT ORDERS AND DECLARES** that all persons and entities provided with notice of this Motion shall be bound by the declarations made in, and the terms of, this Order.

12. **THIS COURT ORDERS** that the Monitor, the Applicants, the Plaintiffs, and the Settling Defendants may seek such further and other Orders and relief from this Court as may be reasonably required to effect and implement the terms of the Settlement Agreement.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.