

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

EDUARDO ORTIZ, individually and  
on behalf of all others similarly  
situated,

Plaintiff,

v.

CANOPY GROWTH CORPORATION,  
BRUCE LINTON, MARK ZEKULIN, MIKE  
LEE, TIM SAUNDERS, DAVID KLEIN, and  
RADE KOVACEVIC,

Defendants.

Case No.: 2:19-cv-20543-KM-ESK

**STIPULATION OF SETTLEMENT**

This Stipulation of Settlement (“Stipulation”), dated February 4, 2022, in the above-captioned litigation (“Litigation”), is entered into by and among: (i) Co-Lead Plaintiffs Anthony Sultan, Ellaine Sultan, Anna Cooley, Formica Industries Limited, David Pendola and Dean K. Lurie (collectively, “Plaintiffs”) on behalf of themselves and each of the Settlement Class Members, by and through their counsel of record in the Litigation; and (ii) defendants Canopy Growth Corporation (“Canopy”), Bruce Linton, Mark Zekulin, Mike Lee, Tim Saunders, David Klein and Rade Kovacevic (together with Canopy, “Defendants”) by and through their counsel of record in the Litigation. The Stipulation is intended to fully, finally, and forever resolve, discharge, and settle with prejudice the Released Claims, subject to the approval of the United States District Court for the District of New Jersey (“Court”), and the terms and conditions set forth in this Stipulation.<sup>1</sup>

## **I. THE LITIGATION**

This is a federal securities class action on behalf of the Settlement Class. For purposes of this Settlement only, the Settlement Class is defined in § IV.1 herein, and the Settling Parties (as defined herein) intend that the provisions herein concerning certification of the Settlement Class shall have no effect whatsoever in the event that the Settlement does not become Final.

### **1. Procedural History of the Litigation**

The Litigation is pending before the Honorable Kevin McNulty in the United States District Court for the District of New Jersey. On November 20, 2019, Plaintiff Eduardo Ortiz commenced this action alleging violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder. Dkt. No. 1. On January 21, 2020, Anthony Sultan, Ellaine Sultan, Anna

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<sup>1</sup> All capitalized terms not otherwise defined shall have the meanings ascribed to them in § IV herein.

Cooley, and Formica Industries Limited (together, “Sultan Group”) filed a motion seeking appointment as Lead Plaintiffs, and on the same day David Pendola and Dean Lurie also filed a motion seeking appointment as Lead Plaintiffs. Dkt. Nos. 7–8. On February 10, 2020, District Judge Kevin McNulty so-ordered a stipulation filed by the Sultan Group, Pendola, and Lurie appointing them Lead Plaintiffs and approving their selection of Pomerantz LLP, The Rosen Law Firm, P.A., and Hagens Berman Sobol Shapiro LLP as Lead Counsel. Dkt. No. 27.

Plaintiffs filed their First Amended Complaint on June 4, 2020 (Dkt. No. 52), and on August 4, 2020, Defendants moved to dismiss (Dkt. No. 55). Plaintiffs obtained leave to file a Second Amended Complaint on October 9, 2020 (*see* Dkt. No. 66) and filed their Second Amended Complaint the same day (Dkt. No. 65). Defendants moved to dismiss the Second Amended Complaint on November 23, 2020 (Dkt. No. 67), and on May 7, 2021, the Court granted Defendants’ motion without prejudice and permitted Plaintiffs to file a Third Amended Complaint (Dkt. No. 73). Plaintiffs filed their Third Amended Complaint on June 14, 2021 (Dkt. No. 77). Defendants moved to dismiss the Third Amended Complaint on August 16, 2021 (Dkt. No. 80) and Plaintiffs filed their opposition to that Motion on October 12, 2021 (Dkt. No. 83).

## **2. Settlement Negotiations**

On October 19, 2021, Lead Counsel and Defendants’ counsel participated in a full-day mediation session before Jed D. Melnick of JAMS. In advance of that session, the Settling Parties prepared and exchanged detailed mediation statements. The session ended without an agreement being reached. Settlement negotiations between the parties continued through mediator Jed Melnick in the weeks that followed. On November 19, 2021, the Settling Parties agreed in principle to resolve the claims asserted in this Litigation for \$13 million in return for a release of all claims against Defendants, as further detailed below. On December 14, 2021, the Settling Parties executed a Memorandum of Understanding setting forth the terms of the agreement in principle (“MOU”).

## **II. PLAINTIFFS' ASSESSMENT OF THE CLAIMS AND BENEFITS OF SETTLEMENT**

Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports their claims. Nonetheless, Plaintiffs and their counsel recognize the current posture of the dismissed litigation and the expense and length of continued prosecution of the Litigation against Defendants through discovery, trial, and possible appeals if the renewed motion to dismiss were denied. Plaintiffs and their counsel also recognize the uncertain outcome and the risk associated with the litigation, especially in complex securities actions such as this Litigation, as well as the challenges and delays inherent in such litigation. Plaintiffs and their counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Settlement Class, is fair, reasonable, adequate, and is in the best interests of the Settlement Class.

## **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

Defendants have denied and continue to deny each and all of the claims asserted in the Litigation, and expressly deny that they have engaged in any wrongdoing, including, without limitation, that their public statements were false or misleading; that they acted with the requisite scienter; that they have committed any violations of law or breaches of duty to Plaintiffs, Canopy shareholders, or anyone else, or aided and abetted the same; and that any investment losses sustained by Lead Plaintiffs and the Settlement Class were caused by Defendants' alleged misconduct. Defendants believe that the Litigation is without merit, that their public statements during the Settlement Class Period contained no material misstatements or omissions, that they otherwise complied with all applicable rules, regulations, and laws, and that they have meritorious defenses to all claims alleged in the Litigation. Defendants make no admission of liability or any form of wrongdoing whatsoever by entering into this Settlement.

This Stipulation, whether or not consummated, and whether or not approved by the court, shall not be construed as or deemed to be evidence of any presumption, admission, or concession on the part of any Defendant, Defendants' counsel, insurer, or any of the Related Parties (as defined in ¶ 1.29), with respect to any claim of any fact alleged by Lead Plaintiffs or any Settlement Class Member, the validity of any claim that was or could have been asserted by Lead Plaintiffs or any Settlement Class Member, or any deficiency of any defense that has been or could have been asserted by Defendants in this Action or in any other litigation. Further, this Stipulation, and all related documents, shall not be construed as or deemed to be evidence of any deception, negligence, fault, liability, wrongdoing, or damage whatsoever, of any kind or by any Defendant, nor any of the Related Parties, or in any way referred to for any other reason as against any Defendant or any of the Related Parties, in any civil, criminal, or administrative action or proceeding. The Parties, and each of them, shall not assert or pursue any action, claim or rights that any party hereto violated any provision of Rule 11 of the Federal Rules of Civil Procedure. Further, the Parties, and each of them, will not deny in any statement made to any media representative that the Action is being settled voluntarily after consultation with competent counsel. The Parties, and each of them, and their respective counsel agree that the Action was resolved in good faith, following arm's length bargaining.

As set forth below, neither the Settlement nor any of the terms of this Stipulation shall constitute an admission or finding of any fault, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted in the Litigation. Defendants are entering into this Stipulation solely to eliminate the burden and expense of further litigation. Defendants have determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

#### **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

Now, therefore, it is hereby stipulated and agreed by and among Plaintiffs (individually and on behalf of all Settlement Class Members) and Defendants, and each of them, by and through their respective undersigned counsel or attorneys of record, that, subject to the approval of the Court, the Litigation and Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of this Stipulation.

##### **1. Definitions**

As used in the Stipulation and its Exhibits, the following terms shall have the meanings specified below. Terms used in the singular shall be deemed to include the plural and vice versa:

1.1 “Authorized Claimant” means any Settlement Class Member whose claim for recovery is allowed pursuant to the terms of the Stipulation.

1.2 “Canopy” means Canopy Growth Corporation.

1.3 “Canopy Call Options” means call options on Canopy Common Stock.

1.4 “Canopy Common Stock” means the common stock of Canopy.

1.5 “Canopy Put Options” means put options on Canopy Common Stock.

1.6 “Canopy Securities” means shares of Canopy Common Stock, Canopy Call Options, and Canopy Put Options.

1.7 “Claims Administrator” means Strategic Claims Services, which shall administer the Settlement.

1.8 “Court” means the United States District Court for the District of New Jersey.

1.9 “Defendants’ Claims” means any and all claims, demands, rights, causes of action, and liabilities, whether based in law or equity, arising under federal, state, local, statutory, or common law or any other law, rule, or regulation including both known and Unknown Claims,

that have been or could have been asserted in the Litigation or any forum by the Released Persons or any of them against Plaintiffs, the Settlement Class Members, and Plaintiffs' counsel, which arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, including under Rule 11 of the Federal Rules of Civil Procedure, or for any other fees or cost shifting, except for claims relating to the enforcement of this Stipulation or the Settlement.

1.10 "Defendants" means Canopy, Bruce Linton, Mark Zekulin, Mike Lee, Tim Saunders, David Klein and Rade Kovacevic.

1.11 "Effective Date" or the date upon which this Stipulation and the Settlement become "effective," means three (3) business days after the date by which all of the events and conditions specified in ¶ 8.1 herein have been met and have occurred.

1.12 "Escrow Account" means the escrow account described in ¶ 2.1 herein.

1.13 "Escrow Agent" means Huntington National Bank.

1.14 "Fee and Expense Application" means the application(s) for an award of attorneys' fees and expenses to Plaintiffs' counsel described in ¶ 7.1 herein.

1.15 "Fee and Expense Award" means the award of attorneys' fees and expenses of Plaintiffs' counsel described in ¶ 6.2 herein.

1.16 "Final" means (1) the Court has entered a Judgment approving the Settlement in all material respects, including but not limited to, *inter alia*, (a) certifying a Settlement Class, (b) approving the scope of the Releases, and (c) ordering the Clerk of the Court to enter final judgment in the form set forth in Exhibit B pursuant to Federal Rule 54(b), finding that there is no just reason for delay of enforcement or appeal of the order, and (2) the time to appeal the Judgment has expired, or the Judgment has been affirmed in all respects on any appeal or review and is no longer subject to further appeal or review. Provided, however, and notwithstanding any provision to the

contrary in this Settlement, “Final” shall not include (and the Settlement is expressly not conditioned upon) the Court’s approval of attorneys’ fees and the reimbursement of expenses sought by Lead Counsel, or the approval of payment of a Compensatory Award for the time and expenses expended by Lead Plaintiffs, or any appeals solely related thereto.

1.17 “Final Approval Hearing” means the hearing required by Federal Rule of Civil Procedure 23(e), at which time the Settling Parties will request that the Court approve the fairness, reasonableness, and adequacy of the proposed Settlement embodied by this Stipulation and enter the Judgment. Lead Counsel will also request that the Court approve the Plan of Allocation and the Fee and Expense Application.

1.18 “Judgment” means the Final Judgment and Order of Dismissal with Prejudice to be rendered by the Court, substantially in the form attached hereto as Exhibit B.

1.19 “Lead Counsel” means the law firms of Pomerantz LLP, Hagens Berman Sobol Shapiro LLP, and The Rosen Law Firm, P.A., or their respective successors.

1.20 “Litigation” means the action captioned *Ortiz v. Canopy Growth Corp., et al.*, Case No. 2:19-cv-20543-KM-ESK (D.N.J.).

1.21 “Net Settlement Fund” means the net settlement fund described in ¶ 6.2 herein.

1.22 “Notice and Administration Expenses” means the costs and expenses described in ¶ 2.8 herein.

1.23 “Notice” means the notice described in ¶ 4.1 herein.

1.24 “Parties” means, collectively, Defendants and Plaintiffs on behalf of themselves and each of the Settlement Class Members.

1.25 “Person” means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, limited

liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their respective spouses, heirs, beneficiaries, executors, administrators, predecessors, successors, representatives, or assignees.

1.26 “Plaintiffs” means Anthony Sultan, Ellaine Sultan, Anna Cooley, Formica Industries Limited, David Pendola and Dean K. Lurie.

1.27 “Plan of Allocation” means a plan or formula for allocating the Net Settlement Fund whereby the Net Settlement Fund to distributed to Authorized Claimants. Any Plan of Allocation is not part of the stipulation and neither Defendants nor their Related Parties shall have any responsibility or liability with respect thereto.

1.28 “Preliminary Approval Order” means the order described in ¶ 4.1 herein.

1.29 “Related Parties” means each of a Defendant’s respective former, present, or future parents, subsidiaries, controlling shareholders, predecessors, successors, divisions, joint ventures and general or limited partnerships, and each of their respective current or former officers, directors, trustees, partners, contractors, auditors, principals, agents, managing agents, employees, attorneys, accountants, investment bankers, underwriters, insurers, or reinsurers in their capacities as such, as well as each of the immediate family members, heirs, executors, personal or legal representatives, estates, beneficiaries, predecessors, successors and assigns of the Individual Defendants.

1.30 “Released Claims” means any and all claims, suits, actions, appeals, causes of action, damages (including, without limitation, compensatory, punitive, exemplary, rescissory, direct, consequential, or special damages, and restitution and disgorgement), demands, rights, debts, penalties, costs, expenses, fees, injunctive relief, attorneys’ fees, expert or consulting fees,

prejudgment interest, indemnities, duties, liabilities, losses, or obligations of every nature and description whatsoever, including both known and Unknown Claims, whether or not concealed or hidden, fixed or contingent, direct or indirect, anticipated or unanticipated, whether legal, contractual, rescissory, statutory, or equitable in nature, arising under federal, state, local, statutory, or common law, or any other law, rule, or regulation of any jurisdiction, including, but not limited to, the United States or Canada that have been or could have been asserted in any forum by the members of the Settlement Class, or the successors or assigns of any of them, in any capacity, against the Released Persons, arising out of, based upon or related in any way to the purchase, acquisition, sale, or ownership of Canopy Securities during the Settlement Class Period, including without limitation any claims related to the allegations, transactions, facts, events, matters, occurrences, acts, representations, or omissions involved, set forth, referred to, or that could have been asserted in the Action, and any for negligence, gross negligence, breach of duty of candor, fraud, or negligent misrepresentation (“Settled Claims”), except for any claims relating to the enforcement of the Settlement. Nothing in this paragraph shall affect any claims, demands, rights, or causes of action and liabilities: (a) between or among Defendants; or (b) between Defendants and their insurers.

1.31 “Released Persons” means each and all of Defendants and each and all of their Related Parties.

1.32 “Settlement” means the settlement of the Litigation as set forth in this Stipulation.

1.33 “Settlement Amount” means Thirteen Million Dollars (US\$13,000,000.00) in cash, to be paid to the Escrow Agent pursuant to ¶ 2.1 of this Stipulation.

1.34 “Settlement Class” means all Persons who purchased or otherwise acquired Canopy Securities during the Settlement Class Period. Excluded from the Settlement Class are all named

Defendants in the Litigation, the present officers and directors of Canopy, the officers and directors Canopy during the Settlement Class Period, and the immediate family members, legal representatives, heirs, successors, or assigns of such excluded persons and any entity in which any Defendant has or had a controlling interest during the Settlement Class Period. Also excluded from the Settlement Class are all putative members of the Settlement Class who exclude themselves by filing a valid and timely request for exclusion.

1.35 “Settlement Class Member” means any Person who falls within the definition of the Settlement Class as set forth in ¶ 1.32 above.

1.36 “Settlement Class Period” means the period between June 27, 2018, and May 28, 2020, both dates inclusive.

1.37 “Settlement Fund” means the Settlement Amount plus all interest and accretions thereto and which may be reduced by payments or deductions as provided herein or by Court order.

1.38 “Settling Parties” means, collectively, Defendants and Plaintiffs on behalf of themselves and each of the Settlement Class Members.

1.39 “Supplemental Agreement” means the supplemental agreement between the Settling Parties described in ¶ 8.3 herein.

1.40 “Tax Expenses” means expenses and costs incurred in connection with the calculation and payment of taxes or the preparation of tax returns and related documents including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs relating to filing (or failing to file) the returns described in ¶ 2.9 herein.

1.41 “Taxes” means any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional

amounts imposed with respect thereto) imposed by any governmental authority and arising with respect to income earned by the Settlement Fund as described in ¶ 2.9.

1.42 “Unknown Claims” means (i) any Released Claims which Plaintiffs or any Class Member do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement or seek exclusion from the Settlement Class; and (ii) any Defendants’ Claims that any Defendant does not know or suspect to exist in his, her or its favor at the time of the release of Plaintiffs, the Settlement Class Members, and Plaintiffs’ counsel, which, if known by him, her or it might have affected his, her or its settlement with and release of Plaintiffs, the Settlement Class Members, and Plaintiffs’ counsel, or might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiffs and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code

§1542. Plaintiffs, Defendants and the Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims or Defendants' Claims, but Plaintiffs shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, and Defendants shall expressly, fully, finally, and forever settle and release any and all Defendants' Claims, in each case known or unknown, suspected or unsuspected, contingent or non-contingent, disclosed or undisclosed, matured or unmatured, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which these releases are a part.

## **2. The Settlement**

### **A. The Settlement Amount**

2.1 The Settlement Amount shall be deposited into an interest-bearing escrow account ("Escrow Account") controlled by the Escrow Agent on or before fifteen (15) business days after the later of: (i) the entry of the Preliminary Approval Order, as defined in ¶ 4.1 herein, and (ii) provision to Defendants of all information necessary to effectuate a transfer of funds, including the bank name and ABA routing number, account name and number, and a signed W-9 reflecting the taxpayer identification number for the Settlement Fund.

2.2 Canopy and/or Defendants' insurers shall pay or cause to be paid the Settlement Amount on behalf of all Defendants. Such amount is paid as consideration for full and complete settlement of all Released Claims. In the event that the entire Settlement Amount is not funded when due, Plaintiffs shall have the right to terminate the Settlement.

2.3 Other than the obligation of Canopy and/or Defendants' insurers to pay or cause to be paid the Settlement Amount into the Settlement Fund, Defendants shall have no obligation to make any other payment into the Settlement Fund pursuant to this Stipulation.

**B. The Escrow Agent**

2.4 The Escrow Agent shall invest the Settlement Amount, deposited pursuant to ¶ 2.1 herein, in United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government or an Agency thereof, or fully insured by the United States Government or an Agency thereof, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund, and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

2.5 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by an order of the Court, or with the written agreement of counsel for Canopy.

2.6 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or for any transaction executed by the Escrow Agent.

2.7 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed or returned pursuant to this Stipulation and/or further order(s) of the Court.

2.8 Without further order of the Court or approval from Defendants, the Settlement Fund may be used by the Escrow Agent, as directed by Lead Counsel, to pay reasonable costs and expenses actually incurred up to the sum of \$500,000 in connection with providing notice to the Settlement Class, locating Settlement Class Members, soliciting Settlement Class claims, assisting with the submission of Settlement Class claims, processing Proofs of Claim and Releases, administering and distributing the Net Settlement Fund to Authorized Claimants, paying Taxes and Tax Expenses, and paying escrow fees and costs, if any (“Notice and Administration Expenses”). After the effective date, without further order of the Court or approval from Defendants, additional amounts up to \$250,000 may be used by the Escrow Agent, as directed by Lead Counsel, to pay any additional Notice and Administrations Expenses from the Settlement Fund. The Released Persons shall have no responsibility for or liability whatsoever with respect to the Notice and Administration Expenses, nor shall they have any responsibility for or liability whatsoever for any claims with respect thereto. Notwithstanding the foregoing, Defendants shall be responsible for the costs and expenses of providing to Lead Counsel and/or the Claims Administrator pertinent transfer records for purposes of mailing notice to the Settlement Class.

**C. Taxes**

2.9 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶ 2.9, including the “relation-back election” (as defined in Treas.

Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶ 2.9(a) herein) shall be consistent with this ¶ 2.9 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶ 2.9(c) herein.

(c) All (i) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶ 2.9 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶ 2.9) (“Tax Expenses”), shall be paid out of the Settlement Fund; in all events the Released Persons and their counsel shall have no responsibility or liability whatsoever for Taxes or Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their

counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)). The Settling Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 2.9.

#### **D. Termination of the Settlement**

2.10 In the event that the Stipulation is not approved, the Stipulation is terminated or canceled, or the Effective Date otherwise fails for any reason to occur, the Settlement Funds less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or due and owing in connection with the Settlement provided for herein, shall be refunded to the parties that submitted the payment pursuant to written instructions for counsel for Canopy in accordance with ¶ 8.4 herein.

### **3. Class Certification**

3.1 For the sole purpose of the Settlement and for no other purpose, the Settling Parties stipulate, agree, and consent to: (i) certification of the Litigation as a class action pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3) on behalf of the Settlement Class; (ii) appointment of Plaintiffs as class representatives; and (iii) appointment of Lead Counsel as class counsel for the Settlement Class pursuant to Fed. R. Civ. P. 23(g).

3.2 Nothing in this Stipulation shall serve, either directly or indirectly, as evidence of or support for certification of a class other than for settlement purposes, and the Settling Parties intend that the provisions herein concerning certification of the Settlement Class shall have no effect whatsoever in the event the Settlement and Judgment do not become Final. Defendants expressly reserve the right to contest class certification in the event the Settlement is terminated or the Effective Date does not occur for any other reason.

#### **4. Preliminary Approval Order and Final Approval Hearing**

4.1 Promptly after execution of this Stipulation, Plaintiffs shall submit the Stipulation together with its Exhibits to the Court and shall apply for entry of an order (“Preliminary Approval Order”), substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation, certification of the Settlement Class for settlement purposes, and approval of the mailing of a settlement notice (“Notice”) and Claim Form and publication of a summary notice, substantially in the forms of Exhibits 1, 3, and 4 to Exhibit A attached hereto. The Notice shall include the general terms of the Settlement set forth in the Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application, as defined in ¶ 7.1 herein, and the date of the Final Approval Hearing, as defined below.

4.2 Lead Counsel shall request that after notice is given, the Court hold a hearing (“Final Approval Hearing”) and finally approve the Settlement of the Litigation as set forth herein. At or after the Final Approval Hearing, Lead Counsel also will request that the Court approve the proposed Plan of Allocation, the Fee and Expense Application, and Plaintiffs’ request for payment of time and for their expenses, if any.

#### **5. Releases**

5.1 Upon the Effective Date, Plaintiffs shall, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons, whether or not such Settlement Class Member executes and delivers a Proof of Claim and Release or shares in the Settlement Fund. Claims to enforce the terms of this Stipulation are not released. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

5.2 The Proof of Claim and Release to be executed by Settlement Class Members at the Effective Date shall release all Released Claims against the Released persons and shall be substantially in the form contained in Exhibit 2 to Exhibit A attached hereto.

5.3 Upon the Effective Date, all Settlement Class Members, and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or any other forum, asserting the Released Claims against any of the Released Persons.

5.4 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiffs, each and all of the Settlement Class Members, and Plaintiffs' counsel, including Lead Counsel, from all Defendants' Claims. Claims to enforce the terms of this Stipulation or any order of the Court in the Litigation are not released.

**6. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund**

6.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the claims

submitted by Settlement Class Members and shall oversee distribution of the Net Settlement Fund (defined below) to Authorized Claimants.

6.2 The Settlement Fund shall be applied as follows:

(a) To pay all the Notice and Administration Expenses described in ¶ 2.8 herein;

(b) To pay the Taxes and Tax Expenses described in ¶ 2.9;

(c) To pay attorneys' fees and expenses of counsel for Plaintiffs ("Fee and Expense Award"), and to pay Plaintiffs for their time and expenses, if and to the extent allowed by the Court; and

(d) After the Effective Date, to distribute the balance of the Settlement Fund ("Net Settlement Fund") to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

6.3 After the Effective Date, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following:

(a) Each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit 2 to Exhibit A attached hereto, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release.

(b) All Proofs of Claim and Releases must be submitted within seven days after the date of the Final Approval Hearing or such other time as may be set by the Court. Except as otherwise ordered by the Court, all Settlement Class Members who fail to timely submit a valid

Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but shall in all other respects be subject to and bound by the provisions of the Stipulation and the Settlement, including the terms of the Judgment and the releases provided for therein and herein, and will be barred and enjoined from bringing any action against the Released Persons concerning the Released Claims. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby. Lead Counsel shall have no liability for not accepting late-submitted claims.

6.4 Persons who otherwise would be Settlement Class Members but desire to be excluded from the Settlement shall be required to provide a written statement that the Person wishes to be excluded from the Settlement Class for receipt by the Claims Administrator no later than twenty-one (21) days prior to the Final Approval Hearing or such other time as may be set by the Court. Unless otherwise ordered by the Court, any Person who is a Settlement Class Member and who does not submit a timely and valid request for exclusion from the Settlement Class shall be bound by this Stipulation. Copies of all requests for exclusion received, and copies of all written revocations of requests for exclusion received, shall be sent to counsel for Defendants and to Lead Counsel within a reasonable time of receipt by the Claims Administrator and in any event not less than seven (7) calendar days prior to the Final Approval Hearing.

6.5 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of

time after the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, reallocate (which reallocation may occur on multiple occasions) such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any *de minimis* balance which still remains in the Net Settlement Fund shall be donated to an appropriate non-profit organization selected by Lead Counsel. This is not a claims-made settlement. There will be no reversion to Defendants.

6.6 Except for Canopy's obligation to pay or cause payment of the Settlement Amount into the Settlement Fund as set forth herein, Defendants and their Related Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of Settlement Class claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person shall have any claim of any kind against Defendants, their Related Parties, or counsel for Defendants with respect to the matters set forth in ¶¶ 6.1–6.8 herein; and the Settlement Class Members, Plaintiffs, and Plaintiffs' counsel, including Lead Counsel, release Defendants and their Related Parties from any and all liability and claims arising from or with respect to the administration, investment, or distribution of the Settlement Fund.

6.7 No Person shall have any claim against Defendants or their Related Parties, counsel for Defendants, Plaintiffs, Lead Counsel, the Claims Administrator or any other Person designated by Lead Counsel based on determinations or distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

6.8 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an

Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement of the Litigation set forth therein. Defendants will take no position with respect to such proposed Plan of Allocation or such plan as may be approved by the Court.

**7. Plaintiffs' Counsel's Attorneys' Fees and Expenses**

7.1 Lead Counsel may submit an application or applications ("Fee and Expense Application") to the Court for distributions from the Settlement Fund for: (i) an award of attorneys' fees; plus (ii) expenses or charges in connection with prosecuting the Litigation; plus (iii) any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court. Plaintiffs may also submit an application for an award to any or all Lead Plaintiffs for their time and expenses in connection with the prosecution of the Litigation. Lead Counsel reserve the right to make additional applications for fees and expenses incurred. This Settlement shall not be conditioned upon any award of attorneys' fees and expenses to Lead Counsel, and Defendants shall take no position with respect to the Fee and Expense Application.

7.2 The attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, within five (5) business days after the Court executes an order awarding such fees and expenses, notwithstanding the existence of any objections thereto or potential for appeal therefrom. Lead Counsel may thereafter allocate the attorneys' fees among Lead Plaintiff's other counsel, if any, in a manner in which they in good

faith believe reflects the contributions of such counsel to the initiation, prosecution, and resolution of the Litigation.

7.3 In the event that the Effective Date fails for any reason to occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Stipulation is canceled or terminated for any other reason, and such reversal, modification, cancellation, or termination becomes final and not subject to review, and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel shall, within fifteen (15) calendar days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, be severally and jointly obligated to refund to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund, plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal, modification, cancellation or termination. Lead Counsel, as a condition of receiving such fees and expenses, agrees to be subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

7.4 The procedure for and the allowance or disallowance by the Court of any applications by any Plaintiffs' counsel for attorneys' fees and expenses, or the time and expenses of Plaintiffs, to be paid out of the Settlement Fund, are not part of the Settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to the Fee and Expense Application, or Plaintiffs' time and expense application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement of the Litigation set forth therein.

7.5 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. Defendants and their Related Parties shall have no responsibility for any payment of attorneys' fees and/or expenses to Lead Counsel, Plaintiffs, or any other counsel or Person who receives payment from the Settlement Fund.

7.6 Defendants and their Related Parties shall have no responsibility or liability whatsoever for the allocation among Lead Counsel, or any other counsel or Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Litigation.

**8. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination**

8.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all the following events:

(a) The Court has entered the Preliminary Approval Order, as required by ¶ 4.1 herein;

(b) The Settlement Amount has been deposited into the interest-bearing Escrow Account;

(c) Defendants have not exercised their option to terminate the Stipulation pursuant to ¶ 8.3 herein;

(d) The Court has entered the Judgment, or a judgment substantially in the form of Exhibit B attached hereto; and

(e) The Judgment has become Final, as defined in ¶ 1.16 herein.

8.2 Upon the Effective Date, any and all remaining interest or right of Defendants or Defendants' insurers in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If all of the conditions specified in ¶ 8.1 herein are not met, then the Stipulation shall be canceled and terminated subject to ¶ 8.4 herein, unless Lead Counsel and counsel for Defendants mutually agree in writing to proceed with the Settlement.

8.3 Defendants shall have the unilateral right to terminate the Settlement in the event that Settlement Class Members who or which, pursuant to timely and valid requests for exclusion from the Settlement Class, meet the conditions set forth in a confidential supplemental agreement (“Supplemental Agreement”) between the Settling Parties. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein, to the extent necessary, or as otherwise provided in the Supplemental Agreement), unless and until the Court otherwise directs or a dispute arises between the Settling Parties concerning its interpretation or application. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Settling Parties will undertake to have the Supplemental Agreement submitted to the Court *in camera* or filed under seal.

8.4 In the event that the Stipulation is not approved, the Stipulation is terminated or canceled, or the Effective Date otherwise fails for any reason to occur, then:

(a) Within fifteen (15) calendar days after written notification of such event is sent by counsel for Defendants or Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest), less any expenses which have either been disbursed pursuant to ¶¶ 2.8 or 2.9 herein, or are chargeable to the Settlement Fund pursuant to ¶¶ 2.8 or 2.9 herein, shall be refunded by the Escrow Agent to the parties that submitted the payment pursuant to written instructions from Canopy’s counsel. The Escrow Agent or its designee shall apply for any tax refund owed to the Settlement Fund and pay the proceeds to the parties that submitted the payment, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written instructions from Canopy’s counsel;

(b) Neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶ 2.8 or 2.9 herein, and any expenses already incurred pursuant to ¶¶ 2.8 or 2.9 herein, but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶¶ 2.10 and 8.4(a) herein;

(c) The Settling Parties shall revert to their respective positions in the Litigation as of December 14, 2021; and

(d) The terms and provisions of the Stipulation, with the exception of this ¶ 8.4 and ¶¶ 1.1–1.42, 2.8–2.10, 7.3, 9.3, and 9.6 herein, shall have no further force and effect with respect to the Settling Parties and shall not be enforceable, or used in this Litigation or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court, or modification or reversal on appeal of any order of the Court, concerning the Plan of Allocation, or the amount of any attorneys' fees, expenses, and interest awarded by the Court to any of Plaintiffs' counsel or Plaintiffs, shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of this Stipulation.

## **9. Miscellaneous Provisions**

9.1 The Settling Parties: (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

9.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The Settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits

of any claim or defense. Plaintiffs and Defendants agree that all Settling Parties and their respective counsel have complied with Federal Rule of Civil Procedure 11. The Judgment will contain a finding that, during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made by any of the Settling Parties in any public forum regarding the Litigation, including that the Litigation was brought or defended in bad faith or without a reasonable basis.

9.3 Neither this Stipulation nor the Settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of Defendants or their respective Related Parties; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of Defendants or their respective Related Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; (iii) is or may be deemed to be or may be used as an admission, or evidence, that any claim asserted by Plaintiffs was not valid in any civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal or (iv) is or may be deemed to be or may be used as an admission of, or evidence of, the appropriateness of treating the Litigation as a class action for any other purpose than the Settlement. Defendants and/or their respective Related Parties may file this Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense

or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.4 Defendants shall provide notice under the provisions of the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, as appropriate, at their own expense.

9.5 Other than as set forth in the Stipulation and the MOU, the Settling Parties agree that there will be no public announcements regarding the Settlement until Canopy has announced or disclosed it. Once disclosure is made by Canopy, the Settling Parties agree that, other than disclosures required by law, any public comments from the Settling Parties regarding this resolution will not substantially deviate from words to the effect that the Settling Parties have reached a mutually acceptable resolution by way of a mediated settlement.

9.6 Except as otherwise provided for herein, all agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation.

9.7 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

9.8 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.9 The Stipulation, the Exhibits attached hereto, and the Supplemental Agreement constitute the entire agreement among the Settling Parties hereto. No representations, warranties or inducements have been made to any party concerning the Stipulation, its Exhibits, or the Supplemental Agreement other than the representations, warranties, and covenants contained and memorialized in such documents.

9.10 Except as otherwise provided for herein, each Settling Party shall bear his, her or its own costs.

9.11 Lead Counsel, on behalf of the Settlement Class, are expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by the Settlement Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Settlement Class which they deem appropriate.

9.12 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto warrants that such Person has the full authority to do so.

9.13 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or e-mail shall be deemed originals.

9.14 The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

9.15 The waiver by one party of any breach in this Stipulation by any other party shall not be deemed a waiver by any other party or a waiver of any other prior or subsequent breach of this Stipulation.

9.16 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties hereto.

9.17 Without affecting the finality of the Judgment entered in accordance with this Stipulation, the Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all Settling Parties submit to the jurisdiction of the Court for

purposes of implementing and enforcing the Settlement embodied in the Stipulation and matters related to the Settlement.

9.18 Pending approval of the Court of the Stipulation and its Exhibits, other than by agreement of the Settling Parties, all proceedings in this Litigation shall be stayed and Plaintiffs and all Settlement Class Members shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons. Canopy and Defendants may seek to prevent or to stay any other action(s) or claims that assert any Released Claims.

9.19 Any failure by any party to this Stipulation to insist upon the strict performance by any other party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of the Stipulation to be performed by such other party.

9.20 This Stipulation, the Exhibits attached hereto, and the Supplemental Agreement shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of New Jersey, and the rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of New Jersey without giving effect to that State's choice-of-law principles.

9.21 This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties, and the Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

9.22 Nothing in this Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, the attorney-client privilege, the work product doctrine, or the joint defense or common interest doctrine.

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be executed by their duly authorized attorneys, dated February 4, 2022.

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*Co-Lead Counsel for Plaintiffs and the Class*

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

EDUARDO ORTIZ, individually  
and on behalf of all others  
similarly situated,

Plaintiff,

v.

CANOPY GROWTH  
CORPORATION, BRUCE LINTON,  
MARK ZEKULIN, MIKE LEE, TIM  
SAUNDERS, DAVID KLEIN, and  
RADE KOVACEVIC,

Defendants.

Case No.: 2:19-cv-20543-KM-ESK

**[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, an action is pending before this Court entitled *Ortiz v. Canopy Growth Corporation, et al.*, Docket No. 2:19-cv-20543-KM-ESK (D.N.J.) (“Litigation”);

WHEREAS, (a) Co-Lead Plaintiffs Anthony Sultan, Ellaine Sultan, Anna Cooley, Formica Industries Limited, David Pendola and Dean K. Lurie (collectively, the “Plaintiffs”), through Lead Counsel,<sup>1</sup> on behalf of themselves and the Settlement Class, and (b) defendant Canopy Growth Corporation (“Canopy”), and defendants Bruce Linton, Mark Zekulin, Mike Lee, Tim Saunders, David Klein, and Rade Kovacevic (collectively, the “Individual Defendants,” together with Canopy, “Defendants,” and together with Plaintiffs, “Settling Parties”), have determined to fully, finally, and forever compromise, settle, release, resolve, relinquish, waive and discharge each and every Released Claim against each of the Defendants and Released Persons on the terms and conditions set forth in the Stipulation of Settlement dated February 4, 2022 (“Stipulation”) subject to approval of this Court (“Settlement”);

WHEREAS, Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation, certifying the Settlement Class for

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<sup>1</sup> “Lead Counsel” means the law firms of Pomerantz LLP, Hagens Berman Sobol Shapiro LLP, and The Rosen Law Firm, P.A., or their respective successors.

purposes of the Settlement only, and allowing notice to Settlement Class Members as more fully described herein;

WHEREAS, the Court has read and considered: (a) Plaintiffs' motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and (c) finding that substantial and sufficient grounds exist for entering this Order; and the Parties having consented to the entry of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED:

1. Unless otherwise defined herein, all capitalized words and defined terms contained herein shall have the same meanings as they have in the Stipulation.

2. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Litigation is hereby preliminarily certified on behalf of a Settlement Class consisting of all persons or entities that purchased or otherwise acquired Canopy Securities<sup>2</sup> between June 27, 2018, and May 28, 2020, both dates inclusive (the “Settlement Class Period”). Excluded from the Class are all named Defendants in the Litigation, the present officers and directors of Canopy, the officers and directors of Canopy during the Settlement Class Period, and the

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<sup>2</sup> “Canopy Securities” means shares of Canopy Common Stock, Canopy Call Options, and Canopy Put Options, as defined in the Stipulation.

immediate family members, legal representatives, heirs, successors, or assigns of such excluded persons and any entity in which any Defendant has or had a controlling interest during the Settlement Class Period. Also excluded from the Settlement Class are all putative members of the Settlement Class who exclude themselves by filing a valid and timely request for exclusion, and persons with no compensable damages.

3. **Class Findings** – Solely for purposes of the proposed Settlement of this Litigation, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the number of Settlement Class Members are so numerous that their joinder in the Litigation would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of Plaintiffs in the Litigation are typical of the claims of the Settlement Class they seek to represent; (d) Plaintiffs and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Litigation.

4. The Court hereby finds and concludes that, pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiffs are adequate class representatives and also certifies them as Class

Representatives for the Settlement Class. The Court appoints Lead Counsel as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

5. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable, and adequate to the Settlement Class Members, subject to further consideration at the Final Approval Hearing to be conducted as described below.

6. **Final Approval Hearing** – The Court will hold a Final Approval Hearing (“Final Approval Hearing”) on \_\_\_\_\_, 20\_\_ [a date that is at least 100 calendar days from the date of this Order], at \_\_:\_\_ .m. at the United States District Court for the District of New Jersey, Honorable Kevin McNulty, U.S.D.J., Frank Lautenberg Post Office & U.S. Courthouse, 2 Federal Square, Courtroom PO 04, Newark, New Jersey 07102, to determine: (i) whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class Members and should be approved by the Court; (ii) whether a Judgment as defined in ¶ 1.13 of the Stipulation should be entered; (iii) whether the proposed Plan of Allocation is fair, reasonable, and adequate to the Settlement Class and should be approved; (iv) the amount of fees and expenses that should be awarded to Lead Counsel; (v) the compensatory awards that should be granted to Plaintiffs; (vi) to consider Settlement Class Members’

objections to the Settlement, if any, whether submitted previously in writing or presented orally at the Final Approval Hearing by Settlement Class Members (or by counsel on their behalf), provided that they give proper notice that they intend to appear at the Final Approval Hearing; and (vii) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

7. The Court reserves the right to adjourn the date of the Final Approval Hearing without further notice to Settlement Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Settlement Class. The Court reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved the Plan of Allocation, any application by Lead Counsel for an award of attorneys' fees and expenses, or any application by Plaintiffs for a compensatory award.

8. **Approval of Form and Content of Notice** – The Court approves, as to form and content, the Postcard Notice (“Postcard”), Notice of Proposed Settlement of Class Action (“Long Form Notice”), the Proof of Claim and Release Form (“Proof of Claim”), and the Summary Notice annexed hereto as Exhibits A-4, A-1, A-2, and A-3, respectively, and finds that the mailing and distribution of the Postcard and publishing of the Summary Notice substantially in the manner and form

set forth in ¶ 8 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due process, and are the best notices practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

9. **Retention of Claims Administrator and Manner of Giving Notice** –

Lead Counsel are hereby authorized to retain the firm Strategic Claims Services (“Claims Administrator”) to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

a. Not later than \_\_\_\_\_, 20\_\_, [twenty-one (21) calendar days after the Court signs and enters this Order] (the “Notice Date”), the Claims Administrator shall commence mailing the Postcard, substantially in the forms annexed hereto, by First-Class Mail to all potential Settlement Class Members who or which can be identified with reasonable effort, and shall post the Postcard on its website at [www.strategicclaims.net](http://www.strategicclaims.net).

b. Within twenty-one (21) calendar days of the entry of this Order, Lead Counsel, through the Claims Administrator, shall cause the Stipulation and its exhibits, this Order, and a copy of the Long Notice and Proof of Claim to be posted on the Claims Administrator’s website contemporaneously with the mailing of the Postcard Notice and/or emailing links to the Long Notice and Proof of Claim; and

c. Not later than fourteen (14) calendar days after the Notice Date, the Claims Administrator shall cause the Summary Notice to be published once in the national edition of Investor's Business Daily and once over the GlobeNewswire; and

d. At least seven (7) calendar days prior to the Final Approval Hearing, Lead Counsel shall serve on Defendants' counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

10. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Settlement Class Members and notifying them of the Settlement as well as in administering the Settlement shall be paid as set forth in the Stipulation without further order of the Court.

11. **Nominee Procedures** – Lead Counsel, through the Claims Administrator, shall make all reasonable efforts to give notice to nominees or custodians who held Canopy securities during the Settlement Class Period as record owners but not as beneficial owners. Such nominees or custodians shall, within ten (10) calendar days of receipt of the notice, either: (i) request copies of the Postcard Notice sufficient to send the Postcard Notice to all beneficial owners for whom they are nominee or custodian, and within ten (10) calendar days after receipt thereof send copies to such beneficial owners; (ii) request links to the location of the Long Notice and Proof of Claim and email the links to each beneficial owner for whom they are

nominee or custodian within ten (10) calendar days after receipt thereof; or (iii) provide the Claims Administrator with lists of the names, last known addresses and email addresses (to the extent known) of such beneficial owners, in which event the Claims Administrator shall promptly deliver the Postcard Notice to such beneficial owners. If the Claims Administrator receives an email address, it will send a link to the location of the Long Notice and Proof of Claim electronically. Nominees or custodians who elect to email links to the Long Notice and Proof of Claim or send the Postcard Notice to their beneficial owners shall send a written certification to the Claims Administrator confirming that the mailing or emailing has been made as directed. Copies of the Postcard Notice shall be made available to any nominee or custodian requesting same for the purpose of distribution to beneficial owners. The Claims Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners, which expenses would not have been incurred except for the providing names and addresses, of up to \$0.05 per name, address, and email address provided to the Claims Administrator; up to \$0.05 per unit for each Postcard Notice actually mailed, plus postage at the pre-sort rate used by the Claims Administrator; or up to \$0.05 per email notice sent, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

12. **Payment of the Settlement Fund** – On or before fifteen (15) days after the later of: (i) entry of this Order, and (ii) provision to Defendants of all information necessary to effectuate a transfer of funds, Canopy and/or Defendants’ insurers shall cause Thirteen Million United States Dollars (US\$13,000,000.00) in cash to be paid to the Escrow Agent pursuant to ¶ 2.1 of the Stipulation.

13. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed or returned pursuant to the Stipulation and/or further order(s) of the Court.

14. **Participation in the Settlement** – Settlement Class Members who wish to participate in the Settlement shall complete and submit Proofs of Claim in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim must be postmarked or submitted electronically no later than seven (7) calendar days after the date of the Final Approval Hearing. Any Settlement Class Member who does not timely submit a Proof of Claim within the time provided for, shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court, but shall nevertheless be bound by the provisions of the Stipulation, the releases contained therein, and the Judgment. Notwithstanding the foregoing, Lead Counsel may, in their discretion, accept late-submitted claims for processing by the Claims

Administrator so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

15. All Settlement Class Members shall be bound by all determinations and judgments in the Litigation concerning the Settlement, including, but not limited to, the Releases provided for therein, whether favorable or unfavorable to the Settlement Class, regardless of whether such Settlement Class Members submit Proofs of Claim or otherwise seek or obtain by any means any distribution from the Net Settlement Fund.

16. **Exclusion From the Settlement Class** – Any Person falling within the definition of the Settlement Class may, upon request, be excluded or “opt out” from the Settlement Class. Any such Person must submit to the Claims Administrator a request for exclusion (“Request for Exclusion”), by First-Class Mail, or hand-delivered such that it is received by \_\_\_\_\_, 20\_\_ [twenty one (21) calendar days before the date of the Final Approval Hearing]. A Request for Exclusion must be signed and state: (i) the name, address, telephone number, and email address (if any) of the Person requesting exclusion; (ii) the Person’s purchases, acquisitions, and sales of Canopy Securities between June 27, 2018, and May 28, 2020, inclusive, including the dates, the number of Canopy Securities purchased, acquired or sold, and price paid or received for each such purchase, acquisition or sale; and (iii) that the Person wishes to be excluded from the Settlement Class. All Persons who submit

valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment. Unless otherwise ordered by the Court, any Person falling within the definition of the Settlement Class who fails to timely request exclusion from the Settlement Class in compliance with this paragraph shall be deemed to have waived his, her, or its right to be excluded from the Settlement Class, and shall be barred from requesting exclusion from the Settlement Class in this or any other proceeding.

17. Lead Counsel shall cause to be provided to Defendants' counsel copies of all Requests for Exclusion, and any written revocation of Requests for Exclusion, promptly upon receipt and as expeditiously as possible, and in any event not less than fourteen (14) calendar days prior to the Final Approval Hearing.

18. The forms and methods set forth herein of notifying the Settlement Class Members of the Settlement and its terms and conditions meet the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constitute the best notice practicable under the circumstances; and constitute due and sufficient notice to all persons and entities entitled thereto. No Settlement Class Member will be relieved from the terms and conditions of the Settlement, including the releases

provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice.

19. **Appearance and Objections at Final Approval Hearing** – Any Settlement Class Member who or which does not submit a Request for Exclusion from the Settlement Class may enter an appearance in the Litigation, at his, her or its own expense, individually or through counsel of his, her or its own choice. Any Settlement Class Members who or which does not enter an appearance will be represented by Lead Counsel.

20. Any Settlement Class Member may file a written objection to the proposed Settlement and show cause, if he, she, or it has any cause, why the proposed Settlement of the Litigation should or should not be approved as fair, reasonable, and adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, why attorneys' fees and expenses should or should not be awarded to counsel for the Plaintiffs, or why the compensatory award to Plaintiffs should or should not be approved; provided, however, that no Settlement Class Member or any other Person shall be heard or entitled to contest such matters, unless that Person has delivered by hand or sent by First-Class Mail written objections and copies of any papers and briefs such that they are sent to Pomerantz LLP, Brian Calandra, 600 Third Avenue, 20th Floor, New York, New York 10016; The Rosen Law Firm, P.A., Gonen Haklay, 101 Greenwood

Avenue, Suite 440, Jenkintown, PA 19046; Hagens Berman Sobol Shapiro LLP, Shayne Stevenson, 1301 Second Avenue, Suite 2000, Seattle, WA 98101; Andrew Muscato, Skadden, Arps, Slate, Meagher & Flom LLP, One Manhattan West, New York, New York 10001, received or hand-delivered on or before \_\_\_\_\_, 20\_\_ [twenty one (21) calendar days before the date of the Final Approval Hearing], and said objections, papers, and briefs are sent to the Clerk of the United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Room 4015, Newark, NJ 07101, received on or before \_\_\_\_\_, 20\_\_ [twenty one (21) calendar days before the date of the Final Approval Hearing].

21. Any Settlement Class Member who or which does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as set forth in the Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses to counsel for Plaintiffs or a compensatory award to Plaintiffs, unless otherwise ordered by the Court. Attendance at the Final Approval Hearing is not necessary. However, Persons wishing to be heard orally in opposition to approval of the Settlement, the Plan of Allocation, the award of attorneys' fees and expenses to counsel for Plaintiffs, and/or the award of compensatory awards to Plaintiffs are

required to indicate in their written objection their intention to appear at the Final Approval Hearing. Settlement Class Members do not need to appear at the Final Approval Hearing or take any action if they do not oppose any aspect of the Settlement.

22. Any objections, filings, and other submissions by the objecting Settlement Class Member must: (i) state the name, address, and telephone number of the Person objecting and must be signed by the objector; (ii) contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; (iii) include documents sufficient to prove membership in the Settlement Class, including the objecting Settlement Class Member's purchases, acquisitions, and sales of Canopy Securities during the Settlement Class Period, including the dates, the number of Canopy Securities purchased, acquired, or sold, and price paid or received for each such purchase, acquisition, or sale; and (iv) the number of times the Settlement Class Member or their counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case.

23. Lead Counsel and Defendants' counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

24. **Supporting Papers** – All opening briefs and supporting documents in support of the Settlement, the Plan of Allocation, and any application by counsel for Plaintiffs for attorneys' fees and expenses or by Plaintiffs for her expenses shall be filed and served by \_\_\_\_\_, 20\_\_ [thirty-five (35) calendar days prior to the Final Approval Hearing]. Replies to any objections shall be filed and served by \_\_\_\_\_, 20\_\_ [seven (7) calendar days before the Final Approval Hearing].

25. The Plan of Allocation and any application by counsel for Plaintiffs for attorneys' fees or expenses, or to Plaintiffs for compensatory awards will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

26. At or after the Final Approval Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees or payment of expenses should be approved.

27. **Use of this Order** – Neither this Order, nor the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed or offered as an admission or concession by the Defendants as to the validity of any claims or as to the truth of any of the allegations in the Litigation, or in respect of any liability, fault, or wrongdoing of any kind.

28. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiffs, the other Settlement Class Members and Defendants. The Settling Parties shall revert to their respective pre-mediation positions in the Litigation, as provided in the Stipulation.

29. In the event the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶¶ 2.5, 2.8, or 2.9 of the Stipulation.

30. **Stay and Temporary Injunction** – Unless otherwise ordered by the Court, all proceedings in the Litigation are stayed, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation or other agreement of the Settling Parties. Pending final determination of whether the proposed Settlement should be approved, neither Plaintiffs nor any Settlement Class Member, either directly or indirectly, representatively, or in any other capacity, shall

commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Released Claims.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE KEVIN MCNULTY  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT A-1**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

EDUARDO ORTIZ, individually and  
on behalf of all others similarly  
situated,

Plaintiff,

v.

CANOPY GROWTH  
CORPORATION, BRUCE LINTON,  
MARK ZEKULIN, MIKE LEE, TIM  
SAUNDERS, DAVID KLEIN, and  
RADE KOVACEVIC,

Defendants.

Case No.: 2:19-cv-20543-KM-ESK

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired the publicly traded securities (“Stock”) of Canopy Growth Corporation (“Canopy” or “Company”) between June 27, 2018, and May 28, 2020, both dates inclusive (“Settlement Class Period”), you could get a payment from a class action settlement (“Settlement”).<sup>1</sup>

*A federal court authorized this Notice. This is not attorney advertising.*

- The Court will hold a Settlement Hearing on \_\_\_\_, 20\_\_ at \_\_\_\_ to decide whether to approve the Settlement. If approved by the Court, the Settlement will provide \$13,000,000 gross (the “Settlement Amount”), plus interest as it accrues, minus attorneys’ fees, costs, compensatory awards to Plaintiffs and administrative expenses, net of any taxes on interest, to pay claims of investors who purchased Canopy Securities during the Settlement Class Period.
- Based on Plaintiffs’ damages expert’s estimate of 159.5 million shares of Canopy Common Stock purchased or acquired during the Settlement Class Period that may have been affected by the conduct alleged in the above-captioned Litigation, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share of Canopy Common Stock is \$0.08. Options trading only accounted for approximately

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation of Settlement dated February 4, 2022 (“Stipulation”), which is available at [www.strategicclaims.net/Canopy](http://www.strategicclaims.net/Canopy).

## EXHIBIT A-1

3% of total dollar trading volume for Canopy Securities during the Settlement Class Period. As such, claims for options transactions are allotted 3% of the Settlement pursuant to the Plan of Allocation. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, which Canopy Securities they purchased, when and at what prices they purchased/acquired or sold their Canopy Securities, and the total number of valid Proof of Claim and Release Forms (“Proof of Claim”) submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (see pages 12–16 below) or such other plan of allocation as may be ordered by the Court.

- To claim your share of the Settlement, you must submit a valid Proof of Claim by \_\_\_\_\_, 20\_\_.
- Attorneys for Plaintiffs (“Lead Counsel”) intend to ask the Court to award them fees of up to 33 1/3% percent of the Settlement Amount plus interest and reimbursement of up to \$275,000 in litigation expenses. Since the Litigation’s inception, Lead Counsel have expended considerable time and effort in this litigation on a contingent-fee basis and have advanced the expenses of the litigation in the expectation that if they were successful in obtaining a recovery for the Settlement Class, they would be paid from such recovery. Lead Counsel also intends to ask the Court to grant compensatory awards to Plaintiffs not to exceed, in total, \$30,000 in total. Collectively, the requested attorneys’ fees, litigation expenses and compensatory award to Plaintiffs are estimated to average \$0.03 per allegedly damaged Canopy share. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The estimated average recovery, after the deductions set forth in the preceding paragraph, is \$0.05 per allegedly damaged Canopy share. This estimate is based on the assumptions set forth in the preceding paragraphs. Your actual recovery, if any, will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased and sold Canopy Securities, the purchase and sales prices, and the total number and amount of claims filed.
- The Settlement resolves the Litigation concerning whether Canopy, Bruce Linton, Mark Zekulin, Mike Lee, Tim Saunders, David Klein and Rade Kovacevic (collectively, “Defendants”) violated federal securities laws by allegedly making misrepresentations and/or omissions of material fact in public statements to the investing public concerning, *inter alia*: (1) inventories of cannabis oils, extracts, and dry flower; (2) “Risk Factors” regarding inventory buildup or excess production facilities; (3) valuation of its inventory on its financial statements; (4) reporting of revenue without including or disclosing reserves for returns or price concessions; and (5) cannabis production facilities. Defendants have denied and continue to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted by Plaintiffs. Defendants have also denied, *inter alia*, the allegations that Plaintiffs or the Settlement Class have suffered damages or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Litigation. Defendants continue to believe the claims asserted against them in the Litigation are without merit.
- The parties disagree on how much money, if any, could have been won if the investors won at trial in the Litigation.

- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment from the Settlement. Proof of Claim forms must be postmarked or submitted online by ____, 20__
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims that were or could have been asserted in this case. Requests for Exclusion must be received by ____, 20__
<b>OBJECT</b>	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys' fees, costs, and expenses. You will still be a member of the Settlement Class. Objections must be received by counsel by ____, 20__
<b>GO TO THE HEARING</b>	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by counsel by ____, 20___. The Settlement Hearing is set for _____, 202__.
<b>DO NOTHING</b>	Get no payment. Give up your rights.

### INQUIRIES

**Please do not contact the Court regarding this Notice.** All inquiries concerning this Notice, the Proof of Claim, or any other questions by Settlement Class Members should be directed to:

Canopy Securities Litigation c/o Strategic Claims Services P.O. Box 230 600 N. Jackson St., Ste. 205 Media, PA 19063 Tel.: 866-274-4004 Fax: 610-565-7985 info@strategicclaims.net	or	Brian Calandra POMERANTZ LLP 600 Third Avenue, Floor 20 New York, New York 10016 Telephone: (212) 661-1100 Facsimile: (917) 463-1044 Email: bcalandra@pomlaw.com  Shayne C. Stevenson HAGENS BERMAN SOBOL SHAPIRO LLP 1301 Second Avenue, Suite 2000 Seattle, WA 98101 Telephone: (206) 623-7292 Facsimile: (206) 623-0594 Email: shaynes@hbsslaw.com  Gonen Haklay THE ROSEN LAW FIRM, P.A.
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		101 Greenwood Avenue, Suite 440 Dresher, PA 19046 Tel: (215) 600-2817 Fax: (973) 833-0399 Email: ghaklay@rosenlegal.com
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## BASIC INFORMATION CONCERNING THE SETTLEMENT

### 1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired the common stock of, or call options on Canopy or sold put options on Canopy common stock, between June 27, 2018, and May 28, 2020, both dates inclusive (the “Settlement Class Period”).

### 2. What is this settlement about?

This settlement resolves the case known as *Ortiz v. Canopy Growth Corporation*, Case No.: 2:19-cv-20543-KM-ESK (D.N.J.). The Court in charge of the case is the United States District Court for the District of New Jersey. The Litigation involves allegations that Defendants violated provisions of the Securities Exchange Act of 1934 (“Exchange Act”) by allegedly making misrepresentations and/or omissions of material fact in public statements to the investing public regarding Canopy’s: (1) inventories of cannabis oils, extracts, and dry flower; (2) “Risk Factors” regarding inventory buildup or excess production facilities; (3) valuation of its inventory on its financial statements; (4) reporting of revenue without including or disclosing reserves for returns or price concessions; and (5) cannabis production facilities. The Third Amended Complaint for Violations of the Federal Securities Laws (“Complaint”) alleges that the misstatements or omissions artificially inflated the price of Canopy Securities, and that the share prices dropped in response to certain subsequent disclosures. Defendants have denied each of these allegations, and continue to deny each, any, and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Litigation. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury, or damages, or of any wrongful conduct, acts, or omissions on the part of Defendants or any of the Released Persons, or of any infirmity of any defense, or of any damages to the Plaintiffs or any other Settlement Class Member. The Settlement resolves all of the claims in the Litigation, as well as certain other claims or potential claims, whether known or unknown.

### 3. Why is this a class action?

In a class action, one or more persons called plaintiffs sue on behalf of all persons who have similar claims. All of the persons with similar claims are referred to as a class. One court resolves the issues for all class members, except for those who exclude themselves from the class.

### 4. Why is there a settlement?

Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs’ allegations and Defendants’ defenses with respect to liability or the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to prevail at trial on each claim. The issues on which Plaintiffs and the Defendants disagree include: (1) whether the challenged statements were

materially false or misleading or otherwise actionable under federal securities law; (2) whether Defendants had a duty to disclose the allegedly omitted information; (3) whether the Defendants acted with scienter; (4) whether the alleged disclosures were corrective disclosures; (5) the causes of the loss in the value of the securities; and (6) the amount of alleged damages, if any, that could be recovered at trial.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the case. Plaintiffs and Lead Counsel believe the Settlement is best for all Settlement Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Defendants. Among the reasons that Plaintiffs and Lead Counsel believe the Settlement is fair is the uncertainty about whether they will be able to prove that any challenged statement was false or misleading, that the alleged misstatements and omissions actually caused the Settlement Class any damages, and the amount of damages, if any.

### WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Settlement Class Member.

#### 5. How do I know if I am part of the Settlement?

The Settlement Class includes all persons or entities, except those who are excluded as described below, who purchased or otherwise acquired Canopy Common Stock or Canopy Call Options or sold Canopy Put Options between June 27, 2018, and May 28, 2020, both dates inclusive (“Settlement Class Period”) and were injured thereby.<sup>2</sup>

If one of your mutual funds owns Canopy Securities, that alone does not make you a Settlement Class Member. Also, if you sold Canopy Securities during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly purchased or otherwise acquired Canopy Common Stock or Canopy Call Options, or sold Canopy Put Options during the Settlement Class Period. Contact your broker to see if you have made any of these transactions.

#### 6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are (i) Defendants, the officers and directors of Canopy, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest; (ii) Opt-Outs, *i.e.*, those Persons who timely and validly request exclusion from the Settlement Class in accordance with the requirements set forth below; and (iii) Persons who have no compensable damages.

#### 7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at (866) 274-4004 or at [info@strategicclaims.net](mailto:info@strategicclaims.net) or by visiting the

<sup>2</sup> Herein, Canopy Call Options and Put Options are collectively referred to as “Options.” Canopy Common Stock and Options are collectively referred to as “Canopy Securities.”

website [www.strategicclaims.net/CanopyGrowth/](http://www.strategicclaims.net/CanopyGrowth/), or you can fill out and return the Proof of Claim form enclosed with this Notice package to see if you qualify.

### THE SETTLEMENT BENEFITS – WHAT YOU GET

#### 8. What does the Settlement provide?

The proposed Settlement provides for Canopy and/or Defendants' insurers to pay \$13,000,000 into a settlement fund ("Settlement Fund"). The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay attorneys' fees with interest and reasonable litigation expenses to Lead Counsel, and compensatory awards to Plaintiffs. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing the Postcard Notice and the costs of publishing notice. After the foregoing deductions from the Settlement Fund have been made, the amount remaining ("Net Settlement Fund") will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court ("Authorized Claimants").

#### 9. How much will my payment be?

Your share of the Net Settlement Fund will depend on several factors, including: (i) how many Canopy Securities you purchased or sold during the Settlement Class Period, and the dates and prices of those purchases and sales; (ii) the number of timely and valid claims submitted by other Settlement Class Members, and the purchases and sales of Canopy Securities represented by those claims; (iii) the amount of administrative costs, including the costs of notice; and (iv) the amount awarded by the Court to Lead Counsel for attorneys' fees, costs, and expenses and a compensatory award to Plaintiffs.

The Claims Administrator will determine each Settlement Class Member's *pro rata* share of the Net Settlement Fund based upon each Settlement Class Member's valid "Recognized Loss." The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Settlement Class Members with valid claims. The Recognized Loss formula is not intended to be an estimate of the amount that a Settlement Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Settlement Class Members pursuant to the Settlement. You can calculate your Recognized Loss by following the instructions in the Plan of Allocation at page \_\_\_\_ of this Notice.

It is unlikely that you will get a payment for all of your Recognized Loss. After all Settlement Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses.

### HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

#### 10. How can I get a payment?

To qualify for a payment, you must submit a Proof of Claim form. The Claims Administrator will process your claim and determine whether you are an Authorized Claimant.

A Proof of Claim form may be downloaded at [www.strategicclaims.net](http://www.strategicclaims.net). Read the instructions carefully, fill out the form, include all the documents that the form requests, sign it, and mail or submit it online so that it is postmarked or received no later than \_\_\_\_\_, 20\_\_\_. The claim form may be submitted online at [www.strategicclaims.net](http://www.strategicclaims.net) or mailed to:

Canopy Securities Litigation  
 c/o Strategic Claims Services  
 600 N. Jackson St., Ste. 205  
 P.O. Box 230  
 Media, PA 19063  
 Tel.: 866-874-4004  
 Fax: 610-565-7985  
 Info @strategicclaims.net

**11. When would I get my payment?**

The Court will hold a Final Approval Hearing on \_\_\_\_, 20\_\_ at \_\_\_\_ to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals afterwards. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

**12. What am I giving up to get a payment or to stay in the Settlement Class?**

Unless you exclude yourself from the Settlement Class by the \_\_\_\_\_, 20\_\_ deadline, you will remain a member of the Settlement Class and will be bound by the release of claims against Defendants and other Released Persons if the Settlement is approved. That means you and all other Settlement Class Members and each of their respective present, former, and future direct and indirect parent entities, associates, affiliates, subsidiaries, predecessors, successors, and the officers, directors, attorneys, assigns, legal representatives, and agents of each of them, each of their respective officers, directors, attorneys, legal representatives, and agents, and any person or entity which is or was related to or affiliated with any of them, and each of their immediate family members, heirs, representatives, administrators, executors, trustees, successors, assigns, devisees, legatees, and estates will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) as against Defendants and other Released Persons any and all claims which arise out of, are based upon or relate in any way to the purchase, acquisition, sale, or ownership of Canopy Securities during the Settlement Class Period. It means that all of the Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisition, sale, or ownership of Canopy Securities during the Settlement Class Period. The specific terms of the release are included in the Settlement Stipulation.

**EXCLUDING YOURSELF FROM THE SETTLEMENT**

**13. How do I get out of the proposed Settlement?**

If you do not want a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants or other Released Persons on your own about the claims being released in this Settlement, then you must take steps to remove yourself from the Settlement. This is called excluding yourself, or "opting out," from the Settlement.

To exclude yourself from the Settlement, you must mail a letter stating that you “request exclusion from the Settlement Class in *Ortiz v. Canopy Growth Corporation*, Case No. 2:19-cv-20543-KM-ESK (D.N.J.)”. To be valid, the letter must state (A) your name, address, telephone number, and e-mail address (if any); (B) the date, number of securities, and dollar amount of all purchases, acquisitions, sales, or dispositions of Canopy Securities during the Settlement Class Period; and (C) the number of Canopy Securities held by you as of May 28, 2020. In order to be valid, such request for exclusion must be submitted with documentary proof (i) of each purchase or acquisition and, if applicable, sale transaction of Canopy Securities during the Settlement Class Period and (ii) demonstrating your status as a beneficial owner of the Canopy Securities. Any request for exclusion must be signed and submitted by you, as the beneficial owner, under penalty of perjury. You must submit your exclusion request so that it is **received no later than \_\_\_\_\_, 20\_\_** at:

Canopy Securities Litigation  
 c/o Strategic Claims Services  
 P.O. Box 230  
 600 N. Jackson St., Ste. 205  
 Media, PA 19063  
 Facsimile: (610) 565-7985

You cannot exclude yourself by telephone or by e-mail. If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

**14. If I do not exclude myself, can I sue the Defendants or the other Released Persons for the same thing later?**

No. Unless you exclude yourself by following the instructions above, you give up any rights to sue the Defendants or the other Released Persons for the claims being released in this Settlement. If you have a pending lawsuit against the Released Persons or related to any Released Claims, speak to your lawyer immediately, since you must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is \_\_\_\_\_, 20\_\_.

**15. If I exclude myself, can I get money from the proposed Settlement?**

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money.

**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in this case?**

The Court has appointed Pomerantz LLP, The Rosen Law Firm, P.A., and Hagens Berman Sobol Shapiro LLP as Lead Counsel to the Class, to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Pomerantz LLP is provided above.

**17. How will the lawyers be paid?**

Lead Counsel have expended considerable time litigating this Action on a contingent-fee basis and have paid for the expenses of the case themselves. They have not been paid attorneys’ fees or reimbursed for their expenses in advance of this Settlement. Lead Counsel have done so with the

expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Lead Counsel will file a motion at the Settlement Hearing asking the Court for an award of attorneys' fees in an amount not greater than 33 1/3% of the Settlement Fund, plus reimbursement of litigation expenses of no more than \$275,000 and compensatory awards to Plaintiffs not to exceed \$30,000 in total. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

### OBJECTING TO THE SETTLEMENT

<b>18. How do I tell the Court that I object to the proposed Settlement?</b>
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If you are a Settlement Class Member, you can tell the Court you do not agree with the proposed Settlement, any part of the Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and expenses and application for a compensatory award to Plaintiffs. You can write to the Court setting out your objection. The Court will consider your views.

To object, you must send a signed letter saying that you object to the proposed Settlement in *Ortiz v. Canopy Growth Corporation, et al.*, Case No. 2:19-cv-20543-KM-ESK (D.N.J.). Be sure to include (1) your name, address, telephone number, and your signature; (2) sufficient documentation of the date(s), price(s), and amount(s) of all Canopy Securities that you purchased, otherwise acquired, sold, or otherwise disposed of during the Settlement Class Period, in order to show membership in the Settlement Class; (3) all grounds for the objection, including any legal support known to you or your counsel, (4) the name, address and telephone number of all counsel, if any, who represent you, including your former or current counsel who may be entitled to compensation in connection with the objection, and (5) the number of times you and/or your counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case and the identity of each case, by name, court and docket number.

If you object to either the Settlement or the requested reimbursement of expenses, you subject yourself to the jurisdiction of the District Court in this matter and consent to being deposed in your district of residence and producing in advance of a deposition any responsive documents to a discovery request prior to the Settlement Hearing.

Attendance at the Settlement Hearing is not necessary. Objectors wishing to be heard orally at the Settlement Hearing must indicate in their written objection that they intend to appear at the Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing.

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Be sure to mail or deliver copies of any objections, papers and briefs to **each** of the addresses listed below such that they are **received no later than** \_\_\_\_, 20\_\_ :

<p><b>Clerk of the Court</b>  Martin Luther King Building  &amp; U.S. Courthouse  50 Walnut Street Room 4015  Newark, NJ 07101  973-645-3730</p>	<p><b>Lead Counsel</b>  Brian Calandra  POMERANTZ LLP  600 Third Avenue, Floor 20  New York, New York 10016  Telephone: (212) 661-1100  Facsimile: (917) 463-1044  Email: bcalandra@pomlaw.com</p> <p>Shayne C. Stevenson  HAGENS BERMAN SOBOL  SHAPIRO  LLP  1301 Second Avenue, Suite  2000  Seattle, WA 98101  Telephone: (206) 623-7292  Facsimile: (206) 623-0594  Email: shaynes@hbsslw.com</p> <p>Gonen Haklay  THE ROSEN LAW FIRM, P.A.  101 Greenwood Avenue, Suite  440  Dresher, PA 19046  Tel: (215) 600-2817  Fax: (973) 833-0399  Email: ghaklay@rosenlegal.com</p>	<p><b>Counsel For Defendants</b>  Andrew Muscato  Jay B. Kasner  Susan L. Saltzstein  SKADDEN, ARPS, SLATE,  MEAGHER &amp; FLOM LLP  One Manhattan West  New York, New York 10001  Telephone: (212) 735-3000  Facsimile: (212) 735-2000 (fax)  Email: andrew.muscato@skadden.com  Email: jay.kasner@skadden.com  Email: susan.saltzstein@skadden.com</p>
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**19. What is the difference between objecting and excluding myself?**

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class or the Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

## THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend, and you may ask to speak, but you do not have to.

**20. When and where will the Court decide whether to approve the proposed Settlement?**

The Court will hold a hearing in this case on \_\_\_\_\_, 2022 at \_\_\_\_\_ p.m. at the United States District Court for the District of New Jersey, Frank Lautenberg Post Office & U.S. Courthouse, 2 Federal Square, Courtroom PO 04, Newark, New Jersey 07102.

At this hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court; whether an Order and Final Judgment as provided in the Settlement Stipulation should be entered; and whether the proposed Plan of Allocation should be approved. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much should be awarded to Lead Counsel for attorneys' fees and expenses and a compensatory award to Plaintiffs for her service to the Settlement Class.

We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Final Approval Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

**21. Do I have to come to the hearing?**

No. Lead Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**22. May I speak at the hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 18 above) a statement that you "intend to appear in *Ortiz v. Canopy Growth Corporation, et al.*, Case No. 2:19-cv-20543-KM-ESK (D.N.J.)." Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees, costs, and expenses, and desire to present evidence at the Settlement Hearing, must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

**IF YOU DO NOTHING****23. What happens if I do nothing at all?**

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Persons about the Released Claims (as defined in the Settlement Stipulation) ever again.

**GETTING MORE INFORMATION****24. Are there more details about the proposed Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Settlement Stipulation. The Settlement Stipulation is the controlling document describing the proposed Settlement, and its terms govern anything to the contrary in this Notice. You can get a copy of the Settlement Stipulation and obtain answers to common questions regarding the proposed Settlement by visiting [www.strategicclaims.net](http://www.strategicclaims.net) or by contacting the Claims Administrator toll-free at (866) 274-4004.

**25. How do I get more information?**

For even more detailed information concerning the matters involved in this Action, see the Settlement Stipulation, the pleadings in the Litigation, the papers filed in support of the Settlement, and the orders entered by the Court, which will be posted on the settlement website [www.strategicclaims.net/CanopyGrowth/](http://www.strategicclaims.net/CanopyGrowth/). For a fee, all papers filed in this Action are also available at [www.pacer.gov](http://www.pacer.gov).

**PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND**

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged misstatements and omissions, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the Recognized Loss formula described below.

A Recognized Loss will be calculated for each share of Canopy Common Stock or Call Option contract purchased or otherwise acquired during the Settlement Class Period, and for each writing of Canopy Put Option contracts during the Settlement Class Period.<sup>3</sup> The calculation of Recognized Loss will depend upon several factors, including when the Canopy Securities were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and

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<sup>3</sup> Exchange-traded options are traded in units called "contracts" which entitle the holder to buy (in the case of a call) or sell (in the case of a put) 100 shares of the underlying security, which in this case is Canopy Common Stock. Each option contract specifies a strike price and an expiration date. Contracts with the same strike price, expiration date and option class symbol are referred to as a "series" and each series represents a different security that trades in the market and has its own market price.

## EXHIBIT A-1

whether those securities were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the price of Canopy Common Stock was artificially inflated throughout the Settlement Class Period. The estimated alleged artificial inflation in the price of Canopy Common Stock during the Settlement Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the price of Canopy Common Stock during the Settlement Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs.

The U.S. federal securities laws allow investors to seek to recover losses caused by disclosures which corrected the defendants' previous misleading statements or omissions. Thus, in order to have recoverable damages, the corrective disclosure of the allegedly misrepresented information must be the cause of the decline in the price or value of the Canopy Securities. In this Action, Plaintiffs alleges that Defendants made false statements and omitted material facts during the Settlement Class Period, which had the purported effect of artificially inflating the prices of Canopy Securities. Plaintiffs further alleges that corrective disclosures removed artificial inflation from the price of Canopy Securities on August 15, 2019, November 14, 2019, March 5, 2020, and May 29, 2020 (the "Corrective Disclosure Dates"). Thus, in order for a Settlement Class Member to have a Recognized Loss under the Plan of Allocation, with respect to Canopy Common Stock and Call Options, the stock or option must have been purchased or acquired during the Settlement Class Period and held through at least one of these Corrective Disclosure Dates, and, with respect to Canopy Put Options, those options must have been sold (written) during the Settlement Class Period and not closed prior to at least one of these Corrective Disclosure dates.

<b>Table 1</b>		
<b>Alleged Artificial Inflation in Canopy Common Stock</b>		
<b>From</b>	<b>To</b>	<b>Per-Share Price Inflation</b>
June 27, 2018	August 14, 2019	\$9.70
August 15, 2019	November 13, 2019	\$6.70
November 14, 2019	March 4, 2020	\$4.44
March 5, 2020	May 28, 2020	\$3.92
May 29, 2020	Thereafter	\$0.00

The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss for Canopy Common Stock. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Canopy Common Stock purchased during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such

stock and its average price during the 90-Day Lookback Period. The Recognized Loss on Canopy Common Stock purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number for a particular transaction, that Recognized Loss shall be set to zero. Any transactions in Canopy Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

A Recognized Loss will be calculated as set forth below for each purchase or acquisition of Canopy Common Stock or Call Option contract and for each writing of Canopy Put Option contracts during the Settlement Class Period, that is listed in the Claim and Release Form and for which adequate documentation is provided.

#### **Calculation of Recognized Loss Per Share of Canopy Common Stock**

For each share of Canopy Common Stock purchased or otherwise acquired during the Settlement Class Period (*i.e.*, between June 27, 2018 and May 28, 2020, both dates inclusive), the Recognized Loss per share shall be calculated as follows:

- i. For each share of Canopy Common Stock purchased during the Settlement Class Period that was subsequently sold prior to August 15, 2019, the Recognized Loss per share is \$0.
- ii. For each share of Canopy Common Stock purchased during the Settlement Class Period that was subsequently sold during the period August 15, 2019 through May 28, 2020, the Recognized Loss per share is the amount of per-share price inflation on the date of purchase as appears in Table 1 above *minus* the amount of per-share price inflation on the date of sale as appears in Table 1.
- iii. For each share of Canopy Common Stock purchased during the Settlement Class Period that was subsequently sold during the period May 29, 2020 through August 26, 2020, inclusive, the Recognized Loss per share is *the lesser of*:
  - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above; or
  - b. the purchase price *minus* the “90-Day Lookback Value” on the date of sale provided in Table 2 below.
- iv. For each share of Canopy Common Stock purchased during the Settlement Class Period and still held as of the close of trading on August 26, 2020, the Recognized Loss per share is *the lesser of*:
  - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above; or
  - b. the purchase price *minus* the average closing price for Canopy Common Stock during the 90-Day Lookback Period, which is \$17.16.

<b>Table 2</b>					
<b>90-Day Lookback Value</b>					
<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>
5/29/2020	\$17.37	6/29/2020	\$16.89	7/29/2020	\$17.06
6/1/2020	\$16.93	6/30/2020	\$16.86	7/30/2020	\$17.09
6/2/2020	\$16.66	7/1/2020	\$16.84	7/31/2020	\$17.12
6/3/2020	\$16.64	7/2/2020	\$16.83	8/3/2020	\$17.16
6/4/2020	\$16.64	7/6/2020	\$16.83	8/4/2020	\$17.21
6/5/2020	\$16.62	7/7/2020	\$16.82	8/5/2020	\$17.25
6/8/2020	\$16.81	7/8/2020	\$16.80	8/6/2020	\$17.26
6/9/2020	\$16.92	7/9/2020	\$16.78	8/7/2020	\$17.24
6/10/2020	\$17.01	7/10/2020	\$16.80	8/10/2020	\$17.26
6/11/2020	\$16.90	7/13/2020	\$16.81	8/11/2020	\$17.25
6/12/2020	\$16.86	7/14/2020	\$16.83	8/12/2020	\$17.25
6/15/2020	\$16.85	7/15/2020	\$16.87	8/13/2020	\$17.25
6/16/2020	\$16.92	7/16/2020	\$16.91	8/14/2020	\$17.25
6/17/2020	\$16.92	7/17/2020	\$16.94	8/17/2020	\$17.25
6/18/2020	\$16.94	7/20/2020	\$16.96	8/18/2020	\$17.24
6/19/2020	\$16.96	7/21/2020	\$16.98	8/19/2020	\$17.23
6/22/2020	\$16.99	7/22/2020	\$16.99	8/20/2020	\$17.21
6/23/2020	\$17.00	7/23/2020	\$16.98	8/21/2020	\$17.19
6/24/2020	\$16.99	7/24/2020	\$16.97	8/24/2020	\$17.18
6/25/2020	\$16.97	7/27/2020	\$16.96	8/25/2020	\$17.17
6/26/2020	\$16.92	7/28/2020	\$17.02	8/26/2020	\$17.16

### Calculation of Recognized Loss Per Call Option

For each Canopy Call Option purchased or otherwise acquired during the Settlement Class Period (i.e., between June 27, 2018 and May 28, 2020, both dates inclusive), the Recognized Loss per Call Option shall be calculated as follows:

- i. For each Call Option not held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above, the Recognized Loss per Call Option is \$0.00.
- ii. For each Call Option held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  - a. that was subsequently sold during the Settlement Class Period, the Recognized Loss per Call Option is the purchase price *minus* the sale price.
  - b. that was subsequently exercised during the Settlement Class Period, the

## EXHIBIT A-1

Recognized Loss per Call Option is the purchase price *minus* the intrinsic value of the option on the date of exercise, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the closing price of Canopy Common Stock on the date of exercise *minus* the strike price of the option.

- c. that expired unexercised during the Settlement Class Period, the Recognized Loss per Call Option is equal to the purchase price.
- d. that was still held as of the close of trading on May 28, 2020, the Recognized Loss per Call Option is the purchase price *minus* the intrinsic value of the option as of the close of trading on May 29, 2020 (i.e., the latest Corrective Disclosure Date), where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) \$17.37 *minus* the strike price of the option.

No Recognized Claim shall be calculated based upon purchase or acquisition of any Canopy Call Option that had been previously sold or written.

### Calculation of Recognized Loss Per Put Option

For each Canopy Put Option sold during the Settlement Class Period (i.e., between June 27, 2018 and May 28, 2020, both dates inclusive), the Recognized Loss per Put Option shall be calculated as follows:

- i. For each Put Option not open (i.e., not outstanding) at the opening of trading on one or more of the Corrective Disclosure Dates as defined above, the Recognized Loss per Put Option is \$0.00.
- ii. For each Put Option open (i.e., outstanding) at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  - a. that was subsequently purchased during the Settlement Class Period, the Recognized Loss per Put Option is the purchase price *minus* the sale price.
  - b. that was subsequently exercised (i.e., assigned) during the Settlement Class Period, the Recognized Loss per Put Option is the intrinsic value of the Put Option on the date of exercise *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* the closing price of Canopy Common Stock on the date of exercise.
  - c. that expired unexercised during the Settlement Class Period, the Recognized Loss per Put Option \$0.00.
  - d. that was still open (i.e., outstanding) as of the close of trading on May 28, 2020, the Recognized Loss per Put Option is the intrinsic value of the option as of the close of trading on May 29, 2020 *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$17.37.

No Recognized Claim shall be calculated based upon the sale or writing of any Canopy Put Option that had been previously purchased or acquired.

## INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of Canopy Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

**Acquisition by Gift, Inheritance, or Operation of Law:** If a Settlement Class Member acquired Canopy Securities during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Canopy Securities were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of Canopy Securities during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Canopy Securities.

The first-in-first-out (“FIFO”) basis will be applied to purchases and sales of like securities. With respect to Canopy Common Stock and Call Options, sales will be matched in chronological order, by trade date, first against any holdings as of the close of trading on June 26, 2018 (the last day before the Settlement Class Period begins) and then against the purchases of such securities during the Settlement Class Period. For Canopy Put Options, Settlement Class Period purchases will be matched first to close out positions open as of the close of trading on June 26, 2018, and then against Put Options sold (written) during the Settlement Class Period in chronological order.

The date of covering a “short sale” is deemed to be the date of purchase of securities. The date of a “short sale” is deemed to be the date of sale of securities. In accordance with the Plan of Allocation, however, the Recognized Loss on “short sales” is zero. In the event that a claimant has an opening short position in Canopy Securities, the earliest Settlement Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

Cumulative payments of all claims associated with Canopy Call Options and Put Options will be limited to 3% of the Net Settlement Fund. Thus, if the cumulative Recognized Loss amounts for Call and Put Option claims exceeds 3% of all Recognized Loss amounts, then the Recognized Loss amounts for Call and Put Option claims will be reduced proportionately until they collectively equal 3% of all Recognized Loss amounts.

With respect to Canopy Common Stock purchased through the exercise of a Canopy Call or Put Option,<sup>4</sup> the purchase date of the stock is the exercise date of the option and the purchase price of the stock is the closing price of Canopy Common Stock on the exercise date. Any Recognized Loss arising from purchases of Canopy Common Stock acquired during the Settlement Class

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<sup>4</sup> Including (1) purchases of Canopy Common Stock as the result of the exercise of a call option, and (2) purchases of Canopy Common Stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

Period through the exercise of an option on Canopy Common Stock shall be computed as provided for other purchases of Canopy Common Stock in the Plan of Allocation.

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants. No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Settlement Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. The Settlement Stipulation and the Order and Final Judgment dismissing this Action will nevertheless bind Settlement Class Members who do not submit a request for exclusion or submit an acceptable Proof of Claim.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims-administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Plaintiffs and Lead Counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible.

#### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If, between June 27, 2018 and May 28, 2020, both dates inclusive, you purchased or otherwise acquired Canopy Securities for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THE POSTCARD NOTICE, you either (a) provide to the Claims Administrator the name, last known address, and email address of each person or organization for whom or which you

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purchased such Canopy Securities during such time period or (b) request additional copies of the Notice and the Proof of Claim form or a copy of the direct link for the Notice and Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim form directly to the beneficial owners/purchasers of the Canopy Securities. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. The Claims Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners/purchasers, up to \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per Notice and Proof of Claim; \$0.05 per Notice and Claim Form transmitted by email; or \$0.05 per name, mailing address, and email address provided to the Claims Administrator, which expenses would not have been incurred except for the sending of such notice, and subject to further order of this Court with respect to any dispute concerning such reimbursement. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications regarding the foregoing should be addressed to the Claims Administrator at the address listed on page 3 above.

DATED:

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BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE DISTRICT OF  
NEW JERSEY

# **EXHIBIT A-2**

**PROOF OF CLAIM AND RELEASE FORM**

**Deadline for Submission:** \_\_\_\_\_

If you purchased or otherwise acquired defendant Canopy Growth Corporation (“Canopy”) securities during the period between June 27, 2018, and May 28, 2020, both dates inclusive (“Settlement Class Period”), you are a “Settlement Class Member” and you may be entitled to share in the settlement proceeds. (Excluded from the Settlement Class are Defendants and any entity in which the Defendants have a controlling interest, and the officers, directors, affiliates, legal representatives, immediate family members, heirs, successors, subsidiaries and/or assigns of any such individual or entity in their capacity as such.)

If you are a settlement class member, you must complete and submit this Proof of Claim and Release Form (“Proof of Claim”) in order to be eligible for any Settlement benefits. You can complete and submit the electronic version of this Proof of Claim by 11:59 p.m. EST on \_\_\_\_\_, 2022 at [www.strategicclaims.net/CanopyGrowth/](http://www.strategicclaims.net/CanopyGrowth/).

If you do not complete and submit an electronic version of this Proof of Claim, you must complete and sign this Proof of Claim and mail it by first class mail, postmarked no later than \_\_\_\_\_, 2022, to Strategic Claims Services, the Claims Administrator, at the following address:

Canopy Securities Litigation  
c/o Strategic Claims Services  
600 N. Jackson St., Ste. 205  
P.O. Box 230  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)

Your failure to submit your claim by \_\_\_\_\_, 2022 will subject your claim to rejection and preclude you from receiving any money in connection with the Settlement of this Action. Do not mail or deliver your claim to the Court or to any of the Parties or their counsel, as any such claim will be deemed not to have been submitted. Submit your claim only to the Claims Administrator. If you are a Settlement Class Member and do not submit a proper Proof of Claim, you will not share in the Settlement, but you nevertheless will be bound by the Order and Final Judgment of the Court unless you exclude yourself.

Submission of a Proof of Claim does not assure that you will share in the proceeds of the Settlement.

### CLAIMANT'S STATEMENT

1. I (we) purchased or otherwise acquired Canopy Growth Corporation (“Canopy”) Common Stock or Call Options, or sold Canopy Put Options, during the Settlement Class Period. (Do not submit this Proof of Claim if you did not purchase or otherwise acquire Canopy Common Stock or Call Options, or sell Canopy Put Options, during the Settlement Class Period.)
2. By submitting this Proof of Claim and Release Form, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Notice of Proposed Settlement of Class Action (the “Notice”), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim and Release Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Actions or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase or acquisition of Canopy Securities during the Settlement Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker’s confirmation slips, stockbroker’s statements, or other documents evidencing each purchase/acquisition and sale of Canopy Securities listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim and Release Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases, the Claims Administrator may

condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)

7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and final release, relinquishment and discharge by me (us) and my (our) successors and assigns in any capacity (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their successors and assigns in any capacity) of each of the "Released Persons" of all "Released Claims," as those terms are defined in the Stipulation of Settlement, dated \_\_\_\_\_, 2021 ("Stipulation"). I (we) further agree and acknowledge that I (we) and anyone claiming through or on my behalf (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her, or them and anyone claiming through or on its, his, her, or their behalf), will be permanently and forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute, in any capacity, any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or any other forum asserting the Released Claims against any of the Released Persons.
8. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a covenant by me (us) and anyone claiming through or on my behalf (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and anyone claiming through or on its, his, her, or their behalf) to permanently refrain from instituting, commencing or prosecuting in any capacity any Released Claims against any of the Released Persons.
9. "Released Persons" has the meaning laid out in the Settlement Stipulation.
10. "Released Claims" has the meaning laid out in the Settlement Stipulation.
11. "Unknown Claims" has the meaning laid out in the Settlement Stipulation.
12. I (we) acknowledge that I (we) may hereafter discover facts in addition to or different from those which I (we) now know or believe to be true with respect to the subject matter of the Released Claims, but expressly fully, finally and forever settle and release, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.
13. I (We) acknowledge that the inclusion of "Unknown Claims" in the definition of claims released pursuant to the Stipulation was separately bargained for and is a material element of the Settlement of which this release is a part.

14. NOTICE REGARDING INSTITUTIONAL FILERS: Representatives with authority to file on behalf of (a) accounts of multiple Settlement Class Members and/or (b) institutional accounts with large numbers of transactions (“Representative Filers”) must submit information regarding their transactions in an electronic spreadsheet format. If you are a Representative Filer, you must contact the Claims Administrator at [efile@strategicclaims.net](mailto:efile@strategicclaims.net) or visit their website at [www.strategicclaims.net](http://www.strategicclaims.net) to obtain the required file layout. Claims which are not submitted in electronic spreadsheet format and in accordance with the Claims Administrator’s instructions may be subject to rejection. All Representative Filers MUST also submit a manually signed Proof of Claim and Release Form, as well as proof of authority to file (see Item 2 of the Claimant’s Statement), along with the electronic spreadsheet format. No claims submitted in electronic spreadsheet format will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.
  
15. NOTICE REGARDING ONLINE FILING: Claimants who are not Representative Filers may submit their claims online using the electronic version of the Proof of Claim hosted at [www.strategicclaims.net](http://www.strategicclaims.net). If you are not acting as a Representative Filer, you do not need to contact the Claims Administrator prior to filing; you will receive an automated e-mail confirming receipt once your Proof of Claim and Release Form has been submitted. If you are unsure if you should submit your claim as a Representative Filer, please contact the Claims Administrator at [info@strategicclaims.net](mailto:info@strategicclaims.net) or (866) 274-4004. If you are not a Representative Filer, but your claim contains a large number of transactions, the Claims Administrator may request that you also submit an electronic spreadsheet showing your transactions to accompany your Proof of Claim.

**I. CLAIMANT INFORMATION**

Beneficial Owner Name		
Address		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Account Number		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

**II. SCHEDULE OF TRANSACTIONS IN CANOPY COMMON STOCK**

**Beginning Holdings:**

A. State the total number of shares of Canopy Common Stock held at the close of trading on June 26, 2018 (*must be documented*). If none, write “zero” or “0.”

--

**Purchases/Acquisitions:**

B. Separately list each and every purchase or acquisition of Canopy Common Stock from June 27, 2018 through August 28, 2020, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

EXHIBIT A-2


**Sales:**

C. Separately list each and every sale of Canopy Common Stock from June 27, 2018 through August 26, 2020, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

**Ending Holdings:**

D. State the total number of shares of Canopy Common Stock held at the close of trading on August 26, 2020, (*must be documented*). If none, write “zero” or “0.”

**III. SCHEDULE OF TRANSACTIONS IN CANOPY CALL OPTIONS**

**Beginning Holdings:**

A. State the total number of Canopy Call Options held at the close of trading on June 26, 2018 (*must be documented*). If none, write “zero” or “0.”

Strike Price of Call Option	Expiration Date of Call Option (Month/Day/Year)	Option Class Symbol	Number of Call Options in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

**Purchases/Acquisitions:**

B. Separately list each and every purchase or acquisition (including free receipts) of Canopy Call Options from after the opening of trading on June 27, 2018 through and including the close of trading on May 28, 2020, both dates inclusive, and provide the following information (*must be documented*):

EXHIBIT A-2

Date of Purchase/Acquisition (List Chronologically) (Month/Day/Year)	Strike Price of Call Option	Expiration Date of Call Option (Month/Day/Year)	Option Class Symbol	Number of Call Options Purchased/Acquired	Purchase/Acquisition Price Per Call Option	Total Purchase/Acquisition Price (excluding taxes, commissions, and fees)	Insert an "E" if Exercised Insert an "A" if Assigned Insert an "X" if Expired	Exercise Date (Month/Day/Year)
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /

**Sales:**

C. Separately list each and every sale/disposition of Canopy Call Options from after the opening of trading on June 27, 2018 through and including the close of trading on May 28, 2020, both dates inclusive, and provide the following information (*must be documented*):

Date of Sale (List Chronologically) (Month/Day/Year)	Strike Price of Call Option	Expiration Date of Call Option (Month/Day/Year)	Option Class Symbol	Number of Call Options Sold	Sale Price Per Call Option	Total Sale Price (excluding taxes, commissions, and fees)
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$

**Ending Holdings:**

D. Separately list all position in Canopy Call Options in which you had an open interest as of the close of trading on May 28, 2020 (*must be documented*). If none, write "zero" or "0."



Strike Price of Call Option	Expiration Date of Call Option (Month/Day/Year)	Option Class Symbol	Number of Call Options in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

**IV. SCHEDULE OF TRANSACTIONS IN CANOPY PUT OPTIONS**

**Beginning Holdings:**

A. State the total number of Canopy Put Options held at the close of trading on June 26, 2018 (*must be documented*). If none, write “zero” or “0.”

Strike Price of Put Option	Expiration Date of Put Option (Month/Day/Year)	Option Class Symbol	Number of Put Options in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

**Sales (Writing):**

B. Separately list each and every sales (writing) (including free deliveries) of Canopy Put Options from after the opening of trading on June 27, 2018 through and including the close of trading on May 28, 2020, both dates inclusive, and provide the following information (*must be documented*):

Date of Sale (Writing) (List Chronologically) (Month/Day/Year)	Strike Price of Put Option	Expiration Date of Put Option (Month/Day/Year)	Option Class Symbol	Number of Put Options Sold (Written)	Sale Price Per Put Option	Total Sale Price (excluding taxes, commissions, and fees)	Insert an “E” if Exercised Insert an “A” if Assigned Insert an “X” if Expired	Exercise Date (Month/Day/Year)
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /
/ /	\$	/ /			\$	\$		/ /

**Purchases/Acquisitions:**

C. Separately list each and every purchase/acquisition (including free receipts) of Canopy Put Options from after the opening of trading on June 27, 2018 through and including the close of trading on May 28, 2020, both dates inclusive, and provide the following information (*must be documented*):

## EXHIBIT A-2

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Strike Price of Put Option	Expiration Date of Put Option (Month/Day/Year)	Option Class Symbol	Number of Put Options Sold	Purchase/ Acquisition Price Per Put Option	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$
/ /	\$	/ /			\$	\$

**Ending Holdings:**

D. Separately list all positions in Canopy Put Options in which you had an open interest as of the close of trading on May 28, 2020, (*must be documented*). If none, write “zero” or “0.”

--

Strike Price of Put Option	Expiration Date of Put Option (Month/Day/Year)	Option Class Symbol	Number of Put Options in Which You Had an Open Interest
\$	/ /		
\$	/ /		
\$	/ /		
\$	/ /		

**If additional space is needed to list your transactions/holdings, attach separate numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.**

**V. TAXPAYER IDENTIFICATION NUMBER**

The Claimant Information form above requests a Taxpayer Identification Number. For most individuals, this is your Social Security Number. The Internal Revenue Service (“I.R.S.”) requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

**VI. CERTIFICATION**

I (We) submit this Proof of Claim under the terms of the Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of New Jersey, with respect to my (our) claim as a Settlement Class Member(s) and for purposes of enforcing the release and covenant not to sue set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in this Action. I (We) have not submitted any other claim covering the same purchases/acquisitions or sales of Canopy

EXHIBIT A-2

Securities during the Settlement Class Period and know of no other Person having done so on my (our) behalf.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding; or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.  
(See Item 2 under Claimant's Statement)

Date: \_\_\_\_\_

EXHIBIT A-2

**THIS PROOF OF CLAIM AND RELEASE FORM MUST BE SUBMITTED ELECTRONICALLY AT WWW.STRATEGICCLAIMS.NET/NETAPP BY 11:59 P.M. EST ON \_\_\_\_\_, 2022, OR MAILED TO THE CLAIMS ADMINISTRATOR AT THE BELOW ADDRESS, POSTMARKED NO LATER THAN \_\_\_\_\_:**

Canopy Securities Litigation  
c/o Strategic Claims Services  
600 N. Jackson St., Ste. 205  
P.O. Box 230  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
info@strategicclaims.net

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2022 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

The Claims Administrator will acknowledge receipt of your Proof of Claim and Release Form by mail or email within 45 days of receipt. Your claim is not deemed filed until you receive such an acknowledgement. If you do not receive an acknowledgement within 45 days, please contact the Claims Administrator by telephone toll free at 1-866-274-4004 or by email at info@strategicclaims.net.

You should be aware that it will take a significant amount of time to process fully all of the Proof of Claim and Release Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

#### **REMINDER CHECKLIST**

- Please be sure to sign this Proof of Claim on page \_\_\_\_\_. If this Proof of Claim is submitted on behalf of joint claimants, then each claimant must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move or change your address, telephone number, or email address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or deliver payment to you.

# **EXHIBIT A-3**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

EDUARDO ORTIZ, individually and  
on behalf of all others similarly  
situated,

Plaintiff,

v.

CANOPY GROWTH  
CORPORATION, BRUCE LINTON,  
MARK ZEKULIN, MIKE LEE, TIM  
SAUNDERS, DAVID KLEIN, and  
RADE KOVACEVIC,

Defendants.

Case No.: 2:19-cv-20543-KM-ESK

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS  
ACTION AND FINAL APPROVAL HEARING**

**To: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE  
PUBLICLY TRADED SECURITIES OF CANOPY GROWTH CORPORATION  
("CANOPY") BETWEEN JUNE 27, 2018, AND MAY 28, 2020, BOTH DATES  
INCLUSIVE**

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of New Jersey that a hearing will be held on \_\_\_\_\_, 2022, at \_\_:\_\_.m. before the Honorable Kevin McNulty, United States District Judge of the District of New Jersey, Frank Lautenberg Post Office & U.S. Courthouse, 2 Federal Square, Courtroom PO 04, Newark, New Jersey 07102, for the purpose of determining: (1) whether the proposed Settlement of the claims in the above-captioned Action for consideration including the sum of \$13,000,000 should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the Settlement proceeds is fair, reasonable, and adequate; (3) whether the application of

Lead Counsel for an award of attorneys' fees, reimbursement of expenses, and Compensatory Awards to Lead Plaintiffs should be approved; and (4) whether this Action should be dismissed with prejudice as set forth in the Stipulation of Settlement dated \_\_\_\_\_, 2022 ("Stipulation").

If you purchased or otherwise acquired Canopy Securities between June 27, 2018, and May 28, 2020, both dates inclusive ("Settlement Class Period"), your rights may be affected by this Settlement, including the release and extinguishment of claims you may possess relating to your ownership interest in Canopy securities. If you have not received a detailed Notice of Proposed Settlement of Class Action ("Notice") and a copy of the Proof of Claim and Release Form ("Proof of Claim"), you may obtain copies by contacting the Claims Administrator at: Canopy Securities Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson St., Ste. 205, Media, PA 19063, Telephone: (866) 274-4004, Facsimile: (610) 565-7985, or email: [info@strategicclaims.net](mailto:info@strategicclaims.net). You can also download copies of the Long Notice and submit your Proof of Claim online at [www.strategicclaims.net/CanopyGrowth/](http://www.strategicclaims.net/CanopyGrowth/). If you are a member of the Settlement Class, in order to share in the distribution of the Net Settlement Fund, you must submit a properly completed Proof of Claim electronically or postmarked no later than 11:59 EST on \_\_\_\_\_, 2022, or electronically no later than 11:59 p.m. EST on \_\_\_\_\_, 20\_\_ to the Claims Administrator, establishing that you are entitled to recovery.

If you desire to be excluded from the Settlement Class, you must submit to the Claims Administrator a request for exclusion so that it is received or postmarked no later than \_\_\_\_\_, 2022, in the manner and form explained in the Notice. Unless you submit a written exclusion request, you will be bound by any judgment rendered in the Action whether or not you make a claim.

Any objection to the Settlement, Plan of Allocation, or Lead Counsel’s request for an award of attorneys’ fees and reimbursement of expenses and awards to Lead Plaintiffs must be in the manner and form explained in the detailed Long Notice and filed with the Court no later than \_\_\_\_\_, 2022. Please also provide copies of objections to Lead Counsel and Counsel for Defendants listed below. If you have any questions about the Settlement, you may call or write to Lead Counsel listed below.

<b>Clerk of the Court</b>	<b>Lead Counsel</b>	<b>Counsel For Defendants</b>
United States District Court District of New Jersey Martin Luther King Building & U.S. Courthouse 50 Walnut Street Room 4015 Newark, NJ 07101 973-645-3730	Brian Calandra POMERANTZ LLP 600 Third Avenue, Floor 20 New York, New York 10016 Telephone: (212) 661-1100 Facsimile: (917) 463-1044 Email: bcalandra@pomlaw.com  Shayne C. Stevenson HAGENS BERMAN SOBOL SHAPIRO LLP 1301 Second Avenue, Suite 2000 Seattle, WA 98101 Telephone: (206) 623-7292 Facsimile: (206) 623-0594 Email: shaynes@hbsslaw.com  Gonen Haklay THE ROSEN LAW FIRM, P.A. 101 Greenwood Avenue, Suite 440 Dresher, PA 19046 Tel: (215) 600-2817 Fax: (973) 833-0399 Email: ghaklay@rosenlegal.com	Andrew Muscato Jay B. Kasner Susan L. Saltzstein SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP One Manhattan West New York, New York 10001 Telephone: (212) 735-3000 Facsimile: (212) 735-2000 (fax) Email: andrew.muscato@skadden.com Email: jay.kasner@skadden.com Email: susan.saltzstein@skadden.com

**DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.**

Dated: \_\_\_\_\_, 2022

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BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE DISTRICT  
OF NEW JERSEY

# **EXHIBIT A-4**

Canopy Growth Corp. Securities Litigation  
c/o Strategic Claims Services  
600 N. Jackson Street, Suite 205  
Media, PA 19063

PRESORTED  
FIRST-CLASS  
MAIL U.S.  
POSTAGE PAID

**Court-Ordered Legal Notice  
Forwarding Service Requested**

*A federal court authorized this  
notice. This is not a solicitation  
from a lawyer.*

*This Notice may affect your legal  
rights. You may be entitled to a  
payment from this securities  
class action settlement.*



# **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

EDUARDO ORTIZ, individually  
and on behalf of all others  
similarly situated,

Plaintiff,

v.

CANOPY GROWTH  
CORPORATION, BRUCE LINTON,  
MARK ZEKULIN, MIKE LEE, TIM  
SAUNDERS, DAVID KLEIN, and  
RADE KOVACEVIC,

Defendants.

Case No.: 2:19-cv-20543-KM-ESK

**[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH  
PREJUDICE**

WHEREAS, an action is pending before this Court entitled *Ortiz v. Canopy Growth Corporation, et al.*, Docket No. 2:19-cv-20543-KM-ESK (D.N.J.) (“Litigation”);

(a) Co-Lead Plaintiffs Anthony Sultan, Ellaine Sultan, Anna Cooley, Formica Industries Limited, David Pendola and Dean K. Lurie (collectively, “Plaintiffs”), through Lead Counsel, on behalf of themselves and the Settlement Class, and (b) defendant Canopy Growth Corporation (“Canopy”), and defendants Bruce Linton, Mark Zekulin, Mike Lee, Tim Saunders, David Klein, and Rade Kovacevic (collectively, “Individual Defendants”; together with Canopy, “Defendants”; and together with Plaintiffs, “Settling Parties”), have determined to fully, finally, and forever compromise, settle, release, resolve, relinquish, waive, and discharge each and every Released Claim against each of the Defendants and Released Persons on the terms and conditions set forth in the Stipulation of Settlement dated February 4, 2022 (“Stipulation”) subject to approval of this Court (“Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated \_\_\_\_\_, 20\_\_ (“Preliminary Approval Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class

Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on \_\_\_\_\_, 20\_\_ (the “Final Approval Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. **Incorporation of Settlement Documents** – This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation annexed as Exhibit 1 hereto, unless otherwise set forth herein.

2. **Jurisdiction** – This Court has jurisdiction over the subject matter of the Litigation and over all parties to the Litigation, including all Settlement Class Members.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement only, the Action as a class action pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the “Settlement Class” consisting of all persons or entities that purchased or otherwise acquired Canopy Securities between June 27, 2018, and May 28, 2020, both dates inclusive (“Settlement Class Period”). Excluded from the Class are all named Defendants in the Litigation, the present officers and directors of Canopy, the officers and directors of Canopy during the Settlement Class Period, and the immediate family members, legal representatives, heirs, successors, or assigns of such excluded persons and any entity in which any Defendant has or had a controlling interest during the Settlement Class Period. Also excluded from the Settlement Class are all putative members of the Settlement Class who exclude themselves by filing a valid and timely request for exclusion.

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying

Plaintiffs as Class Representatives for the Settlement Class and appointing Lead Counsel as Class Counsel for the Settlement Class. Plaintiffs and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Litigation and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Final Settlement Approval and Dismissal of Claims** – Pursuant to Federal Rule of Civil Procedure 23, the Court hereby approves the Settlement set forth in the Stipulation and finds that:

- (a) the Stipulation and the Settlement described therein, are in all respects, fair, reasonable, and adequate, and in the best interest of the Settlement Class;
- (b) there was no collusion in connection with the Stipulation;
- (c) the Stipulation was the product of informed, arm's-length negotiations among competent, able counsel; and
- (d) the record is sufficiently developed and complete to have enabled Plaintiffs and Defendants to adequately evaluate and consider their positions.

6. Accordingly, the Court authorizes and directs implementation and performance of all the terms and provisions of the Stipulation, as well as the terms and provisions hereof. The Litigation and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice as against Defendants and the Released Persons. The Settling Parties are to bear their own costs, except as otherwise provided in the Settlement Stipulation.

7. The finality of this Final Judgment and Order shall not be affected, in any manner, by rulings that the Court may make on Lead Counsel's application for an award of attorneys' fees and expenses or awards to Plaintiffs.

8. **Notice** – In accordance with the Court's Preliminary Approval Order, the Court hereby finds that the forms and methods of notifying the Settlement Class of the Settlement and its terms and conditions met the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Exchange Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice of these proceedings and the matters set forth herein, including the Settlement and Plan of Allocation, to all persons and entities entitled to such notice. No Settlement Class Member is relieved from the terms and conditions of the Settlement, including the releases provided for in the Settlement Stipulation, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. A full opportunity has been offered to the Settlement Class Members to object to the proposed Settlement and to participate in the hearing thereon. The Court further finds that the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715, were fully discharged. Thus, it is hereby determined that all Settlement Class

Members are bound by this Final Judgment and Order except those persons listed on Exhibit 2 to this Final Judgment and Order.

9. **Plan of Allocation** – The Court hereby finds that the proposed Plan of Allocation is a fair and reasonable method to allocate the Net Settlement Fund among Settlement Class Members, and Lead Counsel and the Claims Administrator are directed to administer the Plan of Allocation in accordance with its terms and the terms of the Stipulation.

10. **Releases** – Upon the Effective Date, Plaintiffs shall, and each of the Settlement Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons, whether or not such Settlement Class Member executes and delivers the Proof of Claim and Release or shares in the Settlement Fund. Claims to enforce the terms of the Stipulation are not released.

11. Upon the Effective Date, all Settlement Class Members, and anyone claiming through or on behalf of any of them, will be permanently and forever barred and enjoined from, and shall be deemed to permanently covenant to refrain from, commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any capacity in any court of law or equity, arbitration tribunal,

administrative forum, or any other forum, asserting any of the Released Claims against any of the Released Persons.

12. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiffs and Lead Counsel from all of Defendants' Claims. Claims to enforce the terms of the Stipulation are not released.

13. The Settling Parties may file the Stipulation and/or this Order and Final Judgment in any proceedings that may be necessary to consummate or enforce the Stipulation, the Settlement, or this Order and Final Judgment.

14. **No Admissions** – Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of Defendants or their respective Related Parties; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; (iii) is or may be deemed to be or may be used as an admission, or evidence, that any claim asserted by Plaintiffs was not valid in any civil, criminal or administrative proceeding in any court, administrative agency, or other tribunal or

(iv) is or may be deemed to be or may be used as an admission of, or evidence of, the appropriateness of treating the Litigation as a class action for any other purpose than the Settlement. Defendants and/or their respective Related Parties may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (ii) disposition of the Settlement Fund; (iii) hearing and determining applications for attorneys’ fees, expenses, and interest in the Litigation; and (iv) all parties herein for the purpose of construing, enforcing, and administering the Stipulation.

16. **Rule 11 Findings** – The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

17. **Attorney’s Fees** – Lead Counsel is awarded attorneys’ fees in the amount of \$ \_\_\_\_\_, and expenses in the amount of

\$ \_\_\_\_\_, plus any applicable interest, such amounts to be paid out of the Settlement Fund immediately following entry of this Order.

18. **Plaintiffs' Awards** – Plaintiffs are each awarded \$ \_\_\_\_\_, as a Compensatory Award for reasonable costs and expenses directly relating to the representation of the Settlement Class as provided in 15 U.S.C. § 78u-4(a)(4), such amounts to be paid from the Settlement Fund upon the Effective Date of the Settlement.

19. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Plaintiffs, the other Settlement Class Members, and Defendants, and the Settling Parties shall revert to their respective pre-mediation positions in the Litigation, as provided in the Stipulation.

20. **Modification of the Agreement of Settlement** – Without further approval from the Court, Plaintiffs and Defendants are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court,

Plaintiffs and Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlement.

21. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Action.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE KEVIN MCNULTY  
UNITED STATES DISTRICT JUDGE