**PLAN OF ALLOCATION**

THE DEFINED TERMS

1. The definitions set out in the settlement agreement reached between the Plaintiff and Defendants (“Agreement”), except as modified or defined herein, apply to and are incorporated into this Plan of Allocation:
	1. “Acquisition Expense” means the total monies paid by a Claimant (including brokerage commissions) to acquire Eligible Shares;
	2. “Administrator” means Class Counsel, or a third-party claims administrator if one is appointed by the Court;
	3. “Authorized Claimant” means a Class Member who:
		1. submitted a properly completed Claim Form with the calculation of their Maximum Entitlement and all required Supporting Documentation to the Administrator, on or before the Claims Bar Deadline; and,
		2. is eligible to receive a Distribution from the Compensation Fund;
	4. “Claimant” means a Class Member who submits a properly completed Claim Form with the calculation of their Maximum Entitlement and all required Supporting Documentation to the Administrator on or before the Claims Bar Deadline;
	5. “Compensation Fund” means the Settlement Amount less Class Counsel Fees, Administration Expenses and the Honorarium;
	6. “Database” means the database in which the Administrator stores information received from the Claimants and/or acquired through the claims process;
	7. “Distribution” means payment to Authorized Claimants in accordance with this Plan of Allocation, the Agreement and any order of the Court;
	8. “Distribution List” means a list containing the name and address of each Authorized Claimant, the calculation of his/her/its net loss and the calculation of the Authorized Claimant’s *pro rata* share of the Compensation Fund;
	9. “Eligible Shares” means the Shares purchased or otherwise acquired by a Class Member or Opt-Out Party during the Class Period and still held at the close of trading on April 5, 2020, calculated used LIFO;
	10. “Escrow Account” means the trust account holding the Compensation Fund and used by the Administrator to make the Distribution in accordance with this Plan of Allocation;
	11. “Honorarium” means a one-time payment of $15,000 from the Compensation Fund to the representative plaintiff, Timothy Kwong, subject to the approval of the Court;
	12. “LIFO” means the principle of last-in first-out, wherein securities are deemed to be sold in the opposite order that they were purchased (i.e. the last securities purchased are deemed to be the first sold);
	13. “Maximum Entitlement” means an Authorized Claimant’s actual loss on Eligible Securities, as calculated pursuant to the formula set forth in paragraph [6](#_bookmark0) herein;
	14. “*Pro Rata* Distribution” means the Distribution per dollar of Total Damages;
	15. “Reference” means the procedure by which a Claimant who disagrees with the Administrator’s decision relating to eligibility for compensation, the determination of the number of Eligible Securities, or the amount of the Distribution, may appeal the Administrator’s decision and have it reviewed by the Referee;
	16. “Shares” means common shares of iAnthus Capital Holdings Inc.;
	17. “Supporting Documentation” means true copies of:
		1. all trade confirmation slips in respect of transactions in the Eligible Shares during the Class Period (and the ten (10) days following the end of the Class Period); or,
		2. all monthly statements with information concerning transactions in the Eligible Shares during the Class Period (and the ten (10) days following the end of the Class Period);
	18. “Total Damages” means the aggregate of all Authorized Claimants’ Maximum Entitlements; and
	19. “Website” means the website at www.ianthussecuritiessettlement.ca

THE OVERVIEW

1. This Plan of Allocation sets out the procedure for Class Members to apply for a Distribution from the Compensation Fund; the guidelines for determination of a Class Member’s eligibility to same; and, if appropriate, the manner of allocation and Distribution to each Authorized Claimant of their proportionate and allocable share of the Compensation Fund calculated on the basis of the calculation set forth herein, up to the Maximum Entitlement for each Authorized Claimant.

CALCULATION OF THE DISTRIBUTION AND MAXIMUM ENTITLEMENT

1. The Distribution for each Authorized Claimant will be calculated by the Administrator by dividing the Compensation Fund by the Total Damages to calculate a per dollar of Total Damages distribution amount defined herein as the “*Pro Rata* Distribution”.
2. The Administrator will then multiply the *Pro Rata* Distribution by the Maximum Entitlement for each Authorized Claimant to arrive at the Distribution to be paid to each Authorized Claimant.
3. In no event shall an Authorized Claimant receive a Distribution greater than his/her/its Maximum Entitlement.
4. The Maximum Entitlement shall be calculated as follows:
	1. For Eligible Shares disposed of on or before the 10th trading day after the public corrective disclosure (April 5, 2020), the difference between the average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition);
	2. For Eligible Shares disposed of after the 10th trading day after the last public correction (April 5, 2020), the lesser of:
		1. an amount equal to the difference between the average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
		2. an amount equal to the number of Eligible Shares disposed of by an Authorized Claimant, multiplied by the difference between the average price paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per security basis) and the ten-day volume-weighted average trading price for those Eligible Shares following the last public correction on April 5, 2020;
	3. For Eligible Shares not disposed of when the Claim Form is submitted, an amount equal to the difference between the average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the ten-day volume-weighted average trading price for those Eligible Shares following the last public correction on April 5, 2020.

GENERAL PRINCIPLES OF THE ADMINISTRATION OF THE SETTLEMENT

1. The administration process to be established shall:
	1. implement and conform to the Plan of Allocation;
	2. employ reliable methods and detailed record keeping for Claimants to submit their Claim Form and calculation of their Maximum Entitlement their Supporting Documentation;
	3. allow Claim Forms to be submitted via e-mail; and,
	4. make available a website for Class Members to download Claim Forms and to receive updates and information with regard to notice(s), claims procedure(s), definitions, Court documents and contact information.
2. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Court, including:
	1. the power to contact Claimants or their representatives to obtain more information about a claim and/or to audit claims;
	2. if the Administrator reasonably believes that a Claim contains intentional errors the effect of which if not corrected would increase the Distribution to be awarded to a Claimant, the Administrator may disallow the Claim in its entirety;
	3. if a Claimant fails to provide the Administrator the required calculations for their Maximum Entitlement and Supporting Documentation in an organized manner and clear format to allow the Administrator to readily discern the amount of the Claim and the adjudication of the Claim Form, the Administrator may exercise the right to reject the Claim Form in its entirety; and,
	4. where a Claim Form contains minor omissions or errors, the Administrator may correct such omissions or errors if the information necessary to correct the omission or error is readily available to the Administrator.

THE ADMINISTRATOR’S DUTIES AND RESPONSIBILITIES

1. The Administrator shall administer the Plan of Allocation pursuant to the guidelines set out herein under the oversight and direction of the Court and shall act as trustee in respect of the monies held within the Escrow Account.
2. The Administrator shall, wherever practical, develop, implement and operate an administration system using an electronic database and other systems for the following:
	1. class notification, as required;
	2. claim filing and document collection (Claimants must submit their Claim Forms and Supporting Documentation to the Administrator by email);
	3. claim evaluation, analysis and Reference procedures;
	4. distribution analysis and making Distributions;
	5. *cy près* award distribution (if any), and reporting thereon;
	6. Administration Expense payments; and,
	7. cash management, audit control and reporting thereon.
3. The Administrator’s duties and responsibilities shall include the following:
	1. receiving and depositing the monies into the Escrow Account and investing them in trust in accordance with the Agreement;
	2. preparing any protocols required for submission to and approval of the Court;
	3. providing notice of:
		1. the Approval Motion, namely that the Settlement was approved; and,
		2. details of how, where, and by when to submit Completed Claim Forms;
	4. providing the hardware, software, and other resources necessary for a claims processing database/system to function in a commercially reasonable manner;
	5. administering the claims administration process, which shall require Claimants to provide all applicable information and Supporting Documentation as required alongside their Claim Form, in accordance with this Plan of Allocation;
	6. providing, training, and instructing personnel in such reasonable numbers as are required for the performance of its duties in an expedient, commercially reasonable manner;
	7. developing, implementing and operating procedures for receiving, processing, evaluating, and decision-making in respect of the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;
	8. if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required Supporting Documentation, an opportunity to remedy the deficiency as stipulated in the Agreement
	9. in order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by

a Claimant who submits a Claim Form. Such Claimant shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within the thirty (30) day period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court, but will in all other respects be subject to, and bound by, the provisions of the Agreement and the releases contained therein;

* 1. the Administrator will not accept nor process any Claim Form that does not have the calculation of Maximum Entitlement completed and accompanied with the required Supporting Documentation;
	2. making timely assessments of eligibility for compensation and providing prompt notice thereof;
	3. paying all taxes accruing on the interest earned in the Escrow Account and adding that interest (net of taxes) to the Compensation Fund;
	4. making Distributions from the Compensation Fund in a timely fashion;
	5. dedicating sufficient personnel to communicate with Claimants;
	6. using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries in respect of claims;
	7. if necessary, preparing for, attending and defending its decisions at all References;
	8. distributing and reporting on *cy près* awards, if any;
	9. making payments of Administration Expenses;
	10. maintaining the Database with all of the necessary information required to permit the Court to evaluate the progress of the administration, as may, from time-to- time, be required;
	11. reporting to the Court in respect of claims received and administered, and of Administration Expenses; and,
	12. preparing such financial statements, reports and/or records as directed by the Court.
1. The Administrator shall disseminate the Court-approved Second Notice substantially in conformity with the Court-approved Plan of Notice to provide notice of the outcome of the Approval Motion
2. The Administrator shall pay all of the costs and expenses reasonably and actually incurred in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by the Administrator and brokerage firms in connection with the provision of notice of this Settlement to Class Members, provided, however:
	1. that each brokerage firm submits its invoice and Supporting Documentation to the Administrator within thirty (30) calendar days of receiving the Second Notice from the Administrator; and,
	2. that the Administrator shall not pay in excess of CAD$1,000 to any one brokerage firm, and shall not pay in excess of CAD$10,000.00 in the aggregate to all brokerage firms and, if the aggregate amount claimed by such brokerage firms exceeds CAD$10,000.00, then the Administrator shall distribute the sum of CAD$10,000.00 to such brokerage firms on a *pro rata* basis.
3. The Administrator shall cause the information in the Database to be secured and inaccessible to unauthorized parties.
4. Once a Claim Form and required Supporting Documentation is received by the Administrator, the Administrator shall:
	1. verify the number of Eligible shares;
	2. decide whether the Claimant is eligible to participate in the Distribution;
	3. confirm or amend the calculation of the Maximum Entitlement for each Authorized Claimant; and,
	4. Calculate the *Pro Rata* Distribution.
5. Once the Administrator determines that a Claimant is an Authorized Claimant, the respective number of his, her or its Eligible Shares, and his, her or its Maximum Entitlement and *Pro Rata* Distribution from the Compensation Fund, the Administrator shall advise the Claimant of the Administrator’s decision via e-mail.
6. The Administrator may deal with Claimants in a manner that is not through email, as and when it determines that such a step is feasible and/or necessary. However, in all cases the information acquired concerning Claimants shall be entered into the Database.
7. A decision of the Administrator in respect of a claim and any Claimant’s entitlement to participate in or receive a share of the Distribution, subject to the Claimant’s right to elect to refer the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

THE REFEREE

1. The Referee shall have such powers and rights as are reasonably necessary to discharge his or her duties and obligations.
2. The Referee shall establish and employ a summary procedure to review any disputes arising from a decision of the Administrator and may enter into such mediation and arbitration proceedings as the Referee may deem necessary.
3. All decisions of the Referee shall be in writing and shall be final and conclusive and there shall be no appeal therefrom whatsoever.

THE PROCEDURE FOR REFERENCE

1. If a Claimant disagrees with the Administrator’s decision relating to eligibility to share in the Distribution, the determination of the number of Eligible Shares, or the amount of his/her/its Maximum Entitlement, a Claimant may elect a Reference by the Referee by delivering a written election for review to the Administrator within fifteen (15) days of receipt of the Administrator’s decision.
2. The election for a Reference must set out the basis for the disagreement with the Administrator’s decision, attach all documents that are relevant to the review which have not previously been delivered to the Administrator and be accompanied by a certified cheque or money order, payable to the Administrator, in the amount of $150 CAD.
3. Upon receipt of an election for a Reference, the Administrator shall provide the Referee with access to a copy of:
	1. The election for a Refence and accompanying documents;
	2. The Administrator’s decision on eligibility, the number of Eligible Shares, and its calculation of the Maximum Entitlement, as applicable; and,
	3. The Claim Form and Supporting Documentation.
4. The Referee will carry out the Reference in an inexpensive, summary manner. The Referee will provide all necessary procedural directions and the review will be in writing unless the Referee provides otherwise.
5. The Administrator shall participate in the process established by the Referee to the extent directed by the Referee.
6. The Referee shall deliver a written decision to the Claimant and the Administrator. If the Referee disturbs the Administrator’s decision relating to eligibility to share in the Distribution, the number of Eligible Shares or his/her/its Maximum Entitlement, the Administrator shall return the $150 CAD deposit to the Claimant. If the Referee does not

disturb the Administrator’s decision, the Administrator shall add the $150 CAD to the Compensation Fund.

ADMINISTRATION EXPENSES

1. The Administrator shall pay the fees, disbursements, taxes, levies and other costs of:
	1. The Administrator;
	2. The Referee; and,
	3. Such other persons as directed by the Court

out of the Settlement Amount in accordance with the provisions of the Agreement, the Approval Order, and any other orders of the Court.

1. The costs of giving the notices required pursuant to the Approval Order and the Plan of Allocation are not to be paid by the Administrator from its fee.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

1. As soon as practicable after the completion of the claims submission and election for review process, the Administrator will bring a motion to the Court for authorization to make Distributions from the Compensation Fund. In support of this motion, the Administrator will file the Distribution List with the Court in a manner that protects the privacy of persons on the Distribution List.
2. Distributions will be made in Canadian Dollars.
3. No Distributions shall be made by the Administrator until authorized by the Court.
4. No Distribution shall be made by the Administrator in respect of any amount under $100 CAD, and the name(s) of the Authorized Claimant(s) with claims under this amount shall be excluded from the Distribution List in respect of such claims.
5. The Administrator shall make payments to Authorized Claimants by either bank transfer or by cheque at the address provided by the Authorized Claimant or the last known postal address for the Authorized Claimant. If for any reason an Authorized Claimant does not cash a cheque within six (6) months after the date on which the cheque was sent to the Authorized Claimant, the Authorized Claimant shall forfeit the right to compensation and the funds shall become available for allocation to other Authorized Claimants on a *pro rata* basis up to each Authorized Claimant’s Maximum Entitlement. No cheques will be reissued.
6. The Administrator may make interim Distributions if authorized by the Court.
7. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Court may impose.
8. The Administrator shall make Distributions from the Compensation Fund forthwith after receipt of authorization from the Court to make Distributions to the Authorized Claimants whose names are on the Distribution List.
9. If the Escrow Account is in a positive balance in an amount greater than 15% of the net Settlement Amount (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred eighty (180) days from the date of Distribution of the Compensation Fund to the Authorized Claimants, the Administrator shall allocate such balance among

Authorized Claimants whose names are on the Distribution List in an equitable fashion up to the limit of each person’s actual loss. The Administrator may wait until a CRA T-5 tax slip for investment income is issued by the Schedule One bank in respect of the Escrow Account before making this second distribution. If there is a balance in the Escrow Account after each Authorized Claimant is paid up to his/her/its actual loss or if an amount equal to or less than 15% of the net Settlement Amount remains undistributed,

the remaining funds shall be paid *cy pre* to a recipient selected by Class Counsel and

approved by the Court.

RESTRICTION ON CLAIMS

1. Any Class Member who does not submit a Claim Form and required Supporting Documentation with the Administrator on or before the Claims Bar Deadline, will not be permitted to participate in the Distribution. However, Class Counsel (or if a third-party is appointed Administrator by the Court, Class Counsel jointly with the Administrator) may agree to extend the Claims Bar Deadline if, in their opinion, doing so would not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.
2. Claimants must complete and submit Claims electronically via e-mail on or before the Claims Bar Deadline.

NO ASSIGNMENT

1. No amount payable under this Plan of Allocation may be assigned without the written consent of the Administrator.

ADMINISTRATOR’S FINAL REPORT TO THE COURT

1. Upon the conclusion of the administration, or at such other time as the Court directs, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed by Distribution or otherwise, and may obtain an order from the Court discharging it as Administrator.