

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

AUSTIN A. PARTRIDGE

Plaintiff

- and -

GREENSTAR AGRICULTURAL CORPORATION
(f.k.a CHINA GREEN STAR AGRICULTURAL CORPORATION)
GUAN LIANYUN, MICHAEL LAM (a.k.a LIM WEN KAI LAM MOON CHIONG),
G. MICHAEL NEWMAN, BRIAN J. KNEBEL, FRANCESCO GALATI,
and SCHWARTZ LEVITSKY FELDMAN LLP

Defendants

Proceeding under the *Class Proceedings Act, 1992*

DISTRIBUTION PROTOCOL

(Supplement to the Settlement Agreement, dated March 21, 2018)

This Distribution Protocol should be read in conjunction with the Settlement Agreement dated March 21, 2018 (“**Settlement Agreement**”).

DEFINED TERMS

1. The terms “**Administration Expenses**”, “**Administrator**”, “**Authorized Claimant**”, “**Claim**”, “**Claims Bar Deadline**”, “**Class Counsel Fees**”, “**Class Members**”, “**Class Period**”, “**Distribution Protocol**”, “**Eligible Shares**”, “**Escrow Account**”, “**Escrow Settlement Amount**”, and “**GreenStar**”, as used herein, are defined in Section 2 of the

Settlement Agreement, which definitions apply to and are incorporated herein. In addition, the following definitions apply to this Distribution Protocol:

- (a) “**Acquisition Expense**” means the total monies paid by a Claimant (including brokerage commissions) to acquire Eligible Shares;
- (b) “**Claimant**” means a Class Member who submits a properly completed Claim and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
- (c) “**Disposition Proceeds**” means the total proceeds paid to a Claimant, without deducting any commissions paid in respect of the dispositions, in consideration of the sale of an Eligible Share; however, with respect to an Eligible Share that a Claimant retained at the close of trading on the TSX Venture on June 2, 2014, they shall be deemed to have been disposed of for nil consideration (*i.e.*, disposed of for CAD \$0.00);
- (d) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (*i.e.* the first Eligible Shares purchased are deemed to be the first Eligible Shares sold);
- (e) “**Net Loss**” means that the Claimant’s total Disposition Proceeds for all Eligible Shares are less than the Claimant’s total Acquisition Expense for all Eligible Shares;
- (f) “**Net Settlement Funds**” means the Escrow Settlement Amount after payment of Administration Expenses and Class Counsel Fees. For greater certainty, Net Settlement Funds includes the after tax amount of any accrued interest income, if any, earned on the Escrow Settlement Funds;

- (g) “**Notional Entitlement**” means an Authorized Claimant’s notional damages as calculated pursuant to the formulae set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Funds is determined;
- (h) “**Private Placement**” means GreenStar’s prospectus exempt non-brokered private placement, announced December 23, 2013;
- (i) “**Sino Elite**” means Sino Elite Group Limited, a private company formerly incorporated in Hong Kong, PRC, bearing Company No.: 1409632; and
- (j) “**Sino Elite Exchange**” means a Claimant’s exchange of Sino Elite securities for GreenStar securities evidenced by a written agreement entered into in connection with the listing of GreenStar on the TSX Venture in May 2011.

OBJECTIVE

- 2. The objective of this Distribution Protocol is to distribute the Net Settlement Funds among Authorized Claimants equitably, efficiently, and in a manner proportionate to the quantum of the Net Settlement Funds.

PROCESSING CLAIMS

- 3. The Administrator shall review each Claim and verify that the Claimant is eligible for compensation from the Net Settlement Funds, as follows:
 - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member;

- (b) For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that:
- (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
 - (iii) The Claimant has provided: all supporting documentation required to make a Claim; or, alternative documentation acceptable to the Administrator.
4. The Administrator shall ensure that Claims are made only in respect of Eligible Shares.

CALCULATION OF NET LOSS AND NOTIONAL ENTITLEMENT

5. The Administrator shall apply FIFO to determine the purchase transactions that correspond to the sale of Eligible Shares, including in the calculation of an Authorized Claimant's Notional Entitlement.
6. The Administrator shall first determine whether a Claimant has sustained a Net Loss. A Claimant is not eligible to receive a payment from the Net Settlement Funds if they have not suffered a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's Notional Entitlement.
7. Eligible Shares transferred between accounts belonging to the same Claimant(s) during the Class Period shall not be deemed to be Eligible Shares for the purpose of calculating Net Loss unless those shares were initially purchased by the Claimant(s) during the Class Period.

In such cases, the Acquisition Expense shall be calculated based on the price initially paid for the Eligible Shares.

8. The date of a purchase or sale shall be the trade date of the transaction, as opposed to the settlement date of the transaction or the payment date, except for an acquisition of Eligible Shares under a Sino Elite Exchange, in which case it shall be the later of: the effective date of the Claimant's written agreement for a Sino Elite Exchange; and, May 31, 2011.
9. The Administrator shall account for any splits or consolidations that occurred during the Class Period such that Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period. For greater certainty, Eligible Shares acquired under a Sino Elite Exchange will be accounted for on a post-exchange cost of acquisition basis.
10. Where a Claimant acquired Eligible Shares in connection with their acquisition of GreenStar units (such as occurred in with Sino Elite Exchanges and the Private Placement) the Acquisition Expense for those Eligible Shares shall be equivalent to the total monies paid to acquire the units.
11. Where a Claimant acquired Eligible Shares on the exercise of GreenStar common share purchase warrants, the Acquisition Expense for the Eligible Shares so acquired shall be equivalent to the total monies paid to exercise or convert the common share purchase warrants. For greater certainty, where Eligible Shares were issued to a Claimant without any further monies having been paid for the exercise or conversion of the share purchase warrants, the Administrator shall treat any such Eligible Shares as having been acquired for CAD\$0.00.

12. An Authorized Claimant's Notional Entitlement will be calculated as follows:

I. No Notional Entitlement shall be recognized for any shares acquired and disposed of before the close of trading on April 25, 2014;

II. The Notional Entitlement shall be the sum of A, B, and C, as applicable and as defined below:

A. *For shares acquired prior to and retained at the close of trading on April 25, 2014*, the lesser of (i) and (ii) multiplied by (iii) or (v) if and as applicable:

(i) the difference between the Acquisition Expense and the Disposition Proceeds;

(ii) \$0.21 per share;

(iii) where the shares were acquired prior to the close of trading on August 27, 2012, multiply the result by 0.50; and

(iv) where the shares were acquired in the Private Placement, multiply the result by 0.90.

B. *For shares acquired prior to and retained at the close of trading on May 15, 2014*, the lesser of (i) and (ii) multiplied by (iii) or (v) if and as applicable:

(i) the difference between the Acquisition Expense and the Disposition Proceeds;

- (ii) \$0.27 per share;
- (iii) where the shares were acquired prior to the close of trading on August 27, 2012, multiply the result by 0.50; and
- (iv) where the shares were acquired in the Private Placement, multiply the result by 0.90.

C. ***For shares retained at the close of trading on June 2, 2014***, the lesser of

(i) and (ii) multiplied by (iii) or (v) if and as applicable:

- (i) the difference between the Acquisition Expense and the Disposition Proceeds; and
- (ii) \$0.415 per share;
- (iii) where the shares were acquired prior to the close of trading on August 27, 2012, multiply the result under (i) and (ii) by 0.50; and
- (iv) where the shares were acquired in the Private Placement, multiply the result by 0.90.

13. In determining whether a Claimant has sustained a Net Loss and calculating an Authorized Claimant's Notional Entitlement, transactions in Eligible Shares in any foreign currency shall be converted to Canadian currency, based on the Bank of Canada noon exchange rate between the Canadian dollar and the foreign currency on the date on which the Administrator calculates the Notional Entitlements of Authorized Claimants. All Notional Entitlements shall be recorded in Canadian currency.

14. If the operation of the formulae set out above results in a Claimant having a Notional Entitlement greater than their Acquisition Expense, the Administrator shall reduce the Claimant's Notional Entitlement to an amount equal to their Acquisition Expense. For greater certainty, in no circumstances will the Administrator recognize a Notional Entitlement greater than a Claimant's Acquisition Expense.

FINAL DISTRIBUTION

15. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Funds equivalent to the ratio of his, her or its Notional Entitlement to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Funds, as calculated by the Administrator.
16. Compensation shall be paid to Authorized Claimants in Canadian currency.
17. If, one hundred eighty (180) days from the date on which the Administrator distributes the Net Settlement Funds to Authorized Claimants, the Escrow Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than CAD \$25,000.00 or less than \$10.00 per Authorized Claimant, such balance shall be allocated to the Ontario Securities Commission for use in accordance with the purposes set out in para 3.4(2)(b) of the Ontario *Securities Act*.
18. By agreement between the Administrator and Class Counsel, any deadline contained in this Distribution Protocol may be extended. Class Counsel and the Administrator shall agree to

extend a deadline(s) if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

COMPLETION OF CLAIMS

19. If, for any reason, a Claimant is unable to complete a Claim, then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

IRREGULAR CLAIMS

20. The claims process is intended to be expeditious, cost effective and user friendly to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith.
21. Where a Claim contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
22. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim, the Administrator believed that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
23. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he or she may request the

Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Notional Entitlement or his, her or its individual compensation.

24. Any request for reconsideration must be received by the Administrator within 45 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final.
25. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
26. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
27. The determination of the Administrator in an administrative review is final and is not subject to further review.
28. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

ADDITIONAL RULES

29. The Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD \$50.00. Such amounts shall

instead be allocated *pro rata* to other Authorized Claimants in accordance with the “Final Distribution” section of this Plan of Allocation.

30. The Administrator shall make payment to an Authorized Claimant by cheque to the Claimant 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 one hundred and eighty (180) 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 be distributed in accordance with the “Final Distribution” section of this Plan of Allocation.

PRICE CHANGES IN GREENSTAR COMMON SHARES

31. The table below shows the price changes in GreenStar common shares on the TSX Venture between April 25, 2014 and June 3, 2014.
32. The dates of April 28, 2014, May 21, 2014 and June 3, 2014 are alleged to have been dates on which significant corrective events caused loss to Class Members.

Date	Open	High	Low	Close	Change
4/25/2014	0.9	0.9	0.89	0.9	
4/28/2014	0.9	0.9	0.61	0.69	0.21
4/29/2014	0.72	0.8	0.72	0.79	-0.1
4/30/2014	0.8	0.82	0.78	0.81	-0.02
5/1/2014	0.8	0.81	0.79	0.8	0.01
5/2/2014	0.8	0.8	0.76	0.78	0.02
5/5/2014	0.76	0.76	0.73	0.75	0.03
5/6/2014	0.75	0.75	0.72	0.74	0.01
5/7/2014	0.75	0.75	0.7	0.71	0.03
5/8/2014	0.72	0.73	0.58	0.61	0.1
5/9/2014	0.6	0.64	0.55	0.64	-0.03
5/12/2014	0.64	0.64	0.58	0.58	0.06
5/13/2014	0.58	0.59	0.55	0.57	0.01
5/14/2014	0.58	0.68	0.58	0.65	-0.08
5/15/2014	0.68	0.72	0.65	0.68	-0.03

Date	Open	High	Low	Close	Change
5/21/2014	0.6	0.6	0.205	0.41	0.27
5/22/2014	0.41	0.5	0.4	0.4	0.01
5/23/2014	0.435	0.44	0.36	0.38	0.02
5/26/2014	0.39	0.43	0.39	0.43	-0.05
5/27/2014	0.43	0.43	0.405	0.42	0.01
5/28/2014	0.42	0.43	0.385	0.385	0.035
5/29/2014	0.41	0.42	0.4	0.4	-0.015
5/30/2014	0.43	0.43	0.43	0.43	-0.03
6/2/2014	0.415	0.415	0.39	0.4	0.03
6/3/2014	0.415	0.415	0.415	0.415	

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