GUIDE TO THE DISTRIBUTION PROTOCOL

This document is intended as a guide to assist in understanding the Distribution Protocol. Calculation of specific potential entitlements may vary depending on facts applicable to individual Class Members. If anything in this guide is inconsistent with any provisions in the Distribution Protocol, the provisions in the Distribution Protocol apply.

PART 1 - BACKGROUND

Pursuant to the Settlement Agreement dated March 21, 2018, CAD $500,000 will be paid into a fund to be distributed (after certain deductions) to Claimants.

The Distribution Protocol sets out a method for the distribution of the Net Settlement Funds (described below) among Claimants.

Q: Who are the Claimants?

A Claimant is a Class Member (or, in some circumstances, an individual who has legal authority to act on behalf of a Class Member) who submits a properly completed Claim to the Administrator of the settlement fund within the specified time.

Class Members are defined as follows:

> **All persons and entities, other than Excluded Persons* and Opt-Out Parties**, wherever they may reside or be domiciled, who acquired securities of GreenStar during the period from and including May 31, 2011 to and including the cessation of trading in GreenStar common shares on June 3, 2014.**
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> ***"Excluded Persons" means:**
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> (A) each Defendant, their past and present associates (as 'associates' is defined in Section 1(1) of the *OSA*, their officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns;
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> (B) Luo Huirong (Fuzhou, Fujian, People's Republic of China), Bliss Time Limited (British Virgin Islands), Ally Fast Limited (British Virgin Islands), Lucy Xia (United States);
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> (C) any person, company, partnership or limited partnership controlled (as 'control' is defined in Section 89(3) of the *OSA*) by any of the Defendants; and
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> (D) any person or company who acted as a consultant or provided other professional services to GreenStar or its subsidiaries in connection with the listing of GreenStar and/or the private placement of GreenStar securities on January 10, 2014, January 20, 2014 or February 6, 2014.
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> ****"Opt-Out Party" means:**
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> Any person who would otherwise be a Class Member and who submits a valid Opt-Out Election to Class Counsel by the Opt-Out Deadline.

Q: How much money will be distributed to Claimants?

Certain expenses must be deducted from the CAD $500,000 before it can be distributed to Claimants. Those expenses include lawyer fees, the costs of providing notice to Class Members and administration expenses incurred in order to, among other things, receive claims and distribute the Settlement Amount. All expenses must be approved by the Court.

The amount that remains after the deduction of those expenses and is available to be distributed to the Claimants is called the "Net Settlement Funds."

Q: How will the money be distributed?

The Distribution Protocol sets out a process for calculating the amount of money that each Claimant will receive from the Net Settlement Funds.

The objective of the Distribution Protocol is to equitably distribute the Net Settlement Funds among Claimants that submit valid and timely claims. In pursuit of that goal, the Distribution Protocol follows in a general way the allegations that have been advanced in the Action. It also reflects Class Counsel's assessment of the litigation risks attached to certain of the claims advanced (discussed in Part 3 below).

In the Action, it was alleged that GreenStar's share price was artificially inflated at material times due to misrepresentations. It was also alleged that Class Members suffered damages equivalent to the decline in market price or value of GreenStar shares as the misrepresentations were corrected on: April 28, 2014, May 21, 2014 and September 11, 2014.

The Distribution Protocol, by reference to trading data for GreenStar common shares, attributes notional damages on a per share basis for each of the alleged corrections, as follows:

- April 28, 2014 – **CAD $0.21 per share, for shares retained at the close of trading the previous trading day, April 25, 2014**;
- May 21, 2014 – **CAD $0.27 per share, for shares retained at the close of trading the previous trading day, May 15, 2014**; and
- September 11, 2014 – **CAD $0.415 per share, for shares retained at the close of trading on June 2, 2014**.[1]

The Distribution Protocol contemplates aggregation, where applicable, of the per share notional damages. For example, a Claimant who acquired 100,000 shares in January 2014 and retained all of them at the close of trading on each of April 25, 2014, May 15, 2014 and June 2, 2014 may have a notional damage entitlement (referred to as the "**Notional Entitlement**") of **CAD 0.895** per share (i.e. $0.21+$0.27+$0.415), <u>depending on what price the shares were acquired at, and before proration</u> (see Steps 2 and 3 below). Further examples for illustrative purposes are provided in Part 3 below.

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[1] GreenStar shares were permanently cease traded on June 3, 2014. As such, the trading price did not change following the alleged September 11, 2014 correction. To account for this, the Distribution Protocol assumes the value of the shares on September 11, 2014 was nil (i.e., CAD $0.00) and provides that a per share notional damage amount of CAD $0.415 was sustained by Class Members holding Eligible Shares at the close of trading on June 2, 2014.

PART 2 - CALCULATIONS

Step 1: Calculating a Claimant's Net Loss

The first step is determining whether the Claimant suffered a Net Loss. To suffer a Net Loss, the monies paid by the Claimant to acquire shares ("**Acquisition Expense**")_must exceed the total proceeds paid to the Claimant on the sale, or deemed disposition, of those same shares ("**Disposition Proceeds**").

Claimants who acquired GRE shares during the Class Period and retained some or all of those shares at the close of trading on June 2, 2014 will, for the purposes of the Distribution Protocol, be deemed to have disposed of the retained shares for no consideration, i.e. for CAD $0.00.

The Administrator will apply "first-in first-out" methodology to all purchases of shares by the Claimant. This means that the first shares purchased are deemed to be the first sold. Claimants who held shares at the commencement of the Class Period must have completely sold those shares before shares acquired during the Class Period will be treated as sold.

Where shares were acquired in connection with a subscription for GreenStar units (units comprised one share and one share purchase warrant or some portion thereof, the latter entitling the holder to purchase one additional share at a later date) the Distribution Protocol provides that the total amount paid for such shares shall be equivalent to the total monies paid to acquire the units. For example, if the per unit cost was $0.85, the Distribution Protocol provides that each share cost the Claimant an equivalent amount, i.e. $0.85 per share.

Step 2: Calculating a Claimant's Notional Entitlement

The shares acquired during the Class Period are known as "Eligible Shares".

To be eligible for a portion of the Net Settlement Funds, Claimants must have acquired Eligible Shares and still held some or all of them at least until at the close of trading on the TSX Venture on April 25, 2014, as is set out above.

The Notional Entitlement arising out of the purchase of Eligible Shares may be calculated by reference to paragraphs 12-14 of the Distribution Protocol. Table A below is illustrative. **Please note that**:

- the terms "sale" and "sold" are used to describe an actual sale and, where applicable, the deemed disposition at CAD $0.00 referred to above; and

- in some circumstances, the operation of the formulae may result in a Claimant having a Notional Entitlement greater than their Acquisition Expense; and, where that is the result, the Claimant's Notional Entitlement will be reduced to an amount equal to their Acquisition Expense. <u>In no case will the Administrator recognize a Notional Entitlement greater than a Claimant's Acquisition Expense</u>.

TABLE A

Ref.	*Time of Sale*[2]	*Notional Entitlement*
12(I)	**Before close of trading on April 25, 2014**	**None** Shares sold before close of trading on April 25, 2014 are not eligible for a portion of the Net Settlement Funds
12(II)(A)	**After close of trading on April 25, 2014** (i.e., sold on or after April 28, 2014)	**THE LESSER OF [(i) and (ii)] multiplied by (iii) or (iv) if applicable** (i) number of shares sold x (purchase price – sale price) (ii) number of shares sold x $0.21 (iii) multiply the result under (i) and (ii) by 0.50 for shares purchased before close of trading on August 27, 2012; and (iv) multiply the result under (i) and (ii) by 0.90 for shares purchased in the December 2013 Private Placement.

2 A sale includes, where applicable, a deemed disposition at CAD $0.00 for shares retained at the close of trading on June 2, 2014.

Ref.	*Time of Sale*[2]	*Notional Entitlement*
12(II)(B)	**After close of trading on May 15, 2014** (i.e., sold on or after May 21, 2014)	**THE LESSER OF [(i) and (ii)] multiplied by (iii) or (iv) if applicable** (i) number of shares sold x (purchase price – sale price) (ii) number of shares sold x $0.27 (iii) multiply the result under (i) and (ii) by 0.50 for shares purchased before close of trading on August 27, 2012; and (iv) multiply the result under (i) and (ii) by 0.90 for shares purchased in the December 2013 Private Placement.
12(II)(C)	**At and after close of trading on June 2, 2014** (i.e., still holding at close of trade on June 2, 2014)	**THE LESSER OF [(i) and (ii)] multiplied by (iii) or (iv) if applicable** (i) number of shares still held at close of trading on June 2, 2014 x (purchase price – $0.00) (ii) number of shares still held at close of trading on June 2, 2014 x $0.415 (iii) multiply the result under (i) and (ii) by 0.50 for shares purchased before close of trading on August 27, 2012; and (iv) multiply the result under (i) and (ii) by 0.90 for shares purchased in the December 2013 Private Placement.

PART 3 - RISK VALUES

Class Counsel have assigned risk values for the purposes of the Distribution Protocol, as follows:

Acquisition Date	*Risk Value*
Before August 28, 2012	.50x
In the Private Placement	.90x

The risk value to be applied to purchases between May 31, 2011 and August 27, 2012 (i.e. 0.50) has the effect of reducing a Claimant's Notional Entitlement for purchases in that period by one half.

The risk value to be applied to purchases in GreenStar's December 2013 Private Placement (i.e. 0.90) has the effect of reducing a Claimant's Notional Entitlement for purchases in the Private Placement by one tenth.

There is no risk value applied to purchases in the secondary securities market (either on or off market) on and after August 28, 2012.

Where a Claimant acquired shares before and on or after August 28, 2012, it is only the portion of the Notional Entitlement attributed to purchases before August 28, 2012 that is subject to the 0.50x risk value. Similarly, where a Claimant acquired shares after August 28, 2012 in the secondary market and in the Private Placement, it is only the portion of the Notional Entitlement attributed to purchases in the Private Placement that is subject to the 0.90x risk value.

In the opinion of Class Counsel, Class Members who acquired their shares between May 31, 2011 and August 27, 2012, or in the Private Placement would have faced potential additional risk to their claims had the action proceeded. That is, Class Counsel considers the legal claims attached to purchases of shares during that period and in the Private Placement to be potentially weaker than the claims attached to purchases of shares between August 28, 2012 and the close of trading on June 2, 2014.

In arriving at the Risk Values, Class Counsel assessed the relative strengths of claims throughout the Class Period, and took into account facts and evidence known to them and the application of the law to such facts and evidence.

PART 4 - SAMPLE CALCULATIONS OF NOTIONAL ENTITLEMENTS FOR ILLUSTRATION PURPOSES

Example 1

For shares acquired after the close of trade on August 27, 2014 and still held at the close of trade on June 2, 2014:

Assume a Claimant purchased 55,000 shares over the TSX Venture on July 31, 2013 at $1.12 per share (Acquisition Expense is $61,600) and all such shares were held at the close of trade on June 2, 2014, her Notional Entitlement would be determined as follows:

A + B + C

Where A (for the alleged April 28, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) 55,000 shares x [$1.12 - $0.00[3]] = $61,600

(ii) 55,000 shares x $0.21 = $11,550

- in this case, the lesser of (i) and (ii) is (ii).
- $11,550 is multiplied by (iii) and (iv) if applicable.

(iii) and **(iv)** are inapplicable and no risk value applies because the shares were purchased after August 28, 2012 and not purchased in the Private Placement.

A = $11,550

Where B (for the alleged May 21, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) 55,000 shares x [$1.12 - $0.00[4]] = $61,600

(ii) 55,000 shares x $0.27 = $14,850

- in this case, the lesser of (i) and (ii) is (ii).
- $14,850 is multiplied by (iii) and (iv) if applicable.

(iii) and **(iv)** are inapplicable and no risk value applies because the shares were purchased after August 28, 2012 and not purchased in the Private Placement.

B = $14,850

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3 Shares retained at the close of trading on June 2, 2014 are deemed to have been disposed for nil consideration.
4 Shares retained at the close of trading on June 2, 2014 are deemed to have been disposed for nil consideration.

Where C (for the alleged September 11, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) 55,000 shares x [$1.12 - $0.00[5]] = $61,600

(ii) 55,000 shares x $0.415 = $22,825

- in this case, the lesser of (i) and (ii) is (ii).
- $22,825 is multiplied by (iii) and (iv) if applicable.

(iii) and **(iv)** are inapplicable and no risk value applies because the shares were purchased after August 28, 2012 and not purchased in the Private Placement.

C = $22,825

Notional Entitlement = $11,550 + $14,850 + $22,825 = $49,225

Example 2

For Eligible Shares Purchased on May 12, 2014 and still held at the close of trading on June 2, 2014.

Assume a Claimant purchased 60,000 shares over the TSX Venture on May 12, 2014 for $0.58 per share (Acquisition Expense is $34,800) and retained all of those shares at the close of trading on June 2, 2014. Her Notional Entitlement would be determined as follows:

A + B + C

Where A (for the alleged April 28, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

- A is not applicable

Where B (for the alleged May 21, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) 60,000 shares x [$0.58 - $0.00[6]] = $34,800

(ii) 60,000 shares x $0.27 = $16,200

- in this case, the lesser of (i) and (ii) is (ii).

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[5] Shares retained at the close of trading on June 2, 2014 are deemed to have been disposed for nil consideration.
[6] Shares retained at the close of trading on June 2, 2014 are deemed to have been disposed for nil consideration.

- $16,200 is multiplied by (iii) and (iv) if applicable.

(iii) and **(iv)** are inapplicable and no risk value applies because the shares were purchased after August 28, 2012 and not purchased in the Private Placement.

B = $16,200

Where C (for the alleged September 11, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) 60,000 shares x [$0.58 - $0.00[7]] = $34,800

(ii) 60,000 shares x $0.415 = $24,900

- in this case, the lesser of (i) and (ii) is (ii).
- $24,900 is multiplied by (iii) and (iv) if applicable.

(iii) and **(iv)** are inapplicable and no risk value applies because the shares were purchased after August 28, 2012 and not purchased in the Private Placement.

C = $24,900

Notional Entitlement = $34,800 (i.e. the Acquisition Expense), because A+B+C ($0 + $16,200 + $24,900) yields $41,100 which is a result greater than the Acquisition Expense

Example 3

For shares acquired in the December 2013 Private Placement and sold before close of trading on June 2, 2014.

Assume a Claimant purchased 50,000 shares in the Private Placement for $0.85 per share (Acquisition Expense is $42,500).[8] The Claimant sold 25,000 shares on May 6, 2014 for $0.72 per share. The Claimant then sold the balance 25,000 shares on May 27, 2014 for $0.42 per share. Her Notional Entitlement would be determined as follows:

A + B + C

Where A (for the alleged April 28, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) May 6, 2014 disposition: 25,000 shares x [$0.85 - $0.72] = $3,250

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[7] Shares retained at the close of trading on June 2, 2014 are deemed to have been disposed for nil consideration.

[8] Units comprised one share and one share purchase warrant, the latter entitling the holder to purchase one additional share at a later date. The cost per share is treated as equivalent to the cost per unit.

May 27, 2014 disposition: 25,000 x [$0.85 -$0.42] = $10,750

Disposition Proceeds = $14,000

(ii) 50,000 shares x $0.21 = $10,500

- in this case, the lesser of (i) and (ii) is (ii).

(iii) is inapplicable because the shares were purchased after August 28, 2012

(iv) *is* applicable because the shares were purchased in the Private Placement. As such, the result under (i) and (ii), i.e. $10,500, is multiplied by 0.90.

A=$9,450

Where B (for the alleged May 21, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

(i) May 6, 2014 disposition: n/a

May 27, 2014 disposition: 25,000 x [$0.85 -$0.42] = $10,750

Disposition Proceeds = $10,750

(ii) 25,000 shares x $0.27 = $6,750

- in this case, the lesser of (i) and (ii) is (ii).

(iii) is inapplicable because the shares were purchased after August 28, 2012

(iv) is applicable because the shares were purchased in the Private Placement. As such, the result under (i) and (ii), i.e. $6,750, is multiplied by 0.90.

B=$6,075

Where C (for the alleged September 11, 2014 correction) equals the lesser of (i) and (ii) multiplied by (iii) and (iv) if applicable.

- C is not applicable

Notional Entitlement = $9,450 + $6,075 = $15,525

STEP 3: *PRO RATA* ALLOCATION OF FUNDS

After each Claimant's Notional Entitlement is determined, the Net Settlement Funds will be allocated to Claimants on a *pro rata* basis based upon each Claimant's Notional Entitlement.

What this means is that each Claimant will be entitled to a share of the Net Settlement Funds equal to their relative share of the total Notional Entitlements of all Claimants.

For example, if a Claimant had a Notional Entitlement of $50,000, and the total Notional Entitlements of all Claimants was $10 million, that Claimant would be entitled to 0.5% of the Net Settlement Funds.

All Funds will be paid in Canadian currency.

STEP 4: CLAIMS UNDER $50.00

Claimants who's *pro rata* allocation described in Step 3 is less than $50.00 will not be paid out because the cost to distribute these funds is greater than the amount to be distributed. Instead, those amounts will be allocated *pro rata* to eligible Claimants whose *pro rata* allocation is greater than $50.00.

STEP 5: PAYMENTS TO CLAIMANTS

The claims administrator will make payment to Claimants by cheque.

STEP 6: REMAINING AMOUNTS

If a Claimant does not cash a cheque within 180 days after the date of distribution or funds otherwise remain after the Claimants are paid, the remaining amounts will be allocated among Claimants if feasible. If not feasible, 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*.