

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECCHIO LONGO CONSULTING SERVICES INC.

Plaintiff

- and -

APHRIA INC.,
VICTOR NEUFELD, ~~CARL MERTON~~, COLE CACCIAVILLANI,
~~CLARUS SECURITIES INC., CANACCORD GENUITY CORP, CORMARK~~
~~SECURITIES INC., HAYWOOD SECURITIES INC. AND INFOR FINANCIAL INC.~~

Defendants

Proceeding under the *Class Proceedings Act, 1992*

AFFIDAVIT OF ALEXANDRA DRAGHICIU
(Affirmed March 19, 2025)

I, Alexandra Draghiciu, of the City of Ottawa, in the Province of Ontario, SOLEMNLY
AFFIRM AND SAY:

1. I am a Claims Analyst – Directors & Officers, and Assistant Vice-President of Victor Canada (“Victor”), one of the excess insurers for the Defendants in the within action. As such, I have knowledge of the matters deposed to herein. Where my statements are based on information or belief, I have identified the source of the information, which I believe to be true.
2. Aphria Inc. (“Aphria”) is a Defendant in this certified class action, with the Individual Defendants Victor Neufeld and Cole Cacciavillani (former Officers and Directors of Aphria).

Aphria is also a Defendant in four parallel lawsuits based on the same facts and allegations brought by individual shareholders, along with, variously, Mr. Neufeld, Mr. Cacciavillani and Carl Merton (a current Officer of Aphria) (“the Individual Actions” and, together with this class action, “the Actions”).

3. The Defendant, Aphria Inc., is a named insured pursuant to various policies of insurance (“the Policies”) which, with the exception of the Side A Policy (for the reasons discussed below), are responsive to the Actions on behalf of the company and the above individuals (collectively, the “Insurance Tower”), as set out below:

PRIMARY POLICY	
Primary Insurer	GCNA
Policy No.	0112569-3
Limit of Liability	\$5,000,000
FIRST EXCESS POLICY	
First Excess Insurer	HDI Global SE Canada Branch (“HDI”)
Policy No.	01860829-14006
Limit of Liability	\$5,000,000
SECOND EXCESS POLICY	
Second Excess Insurer	Ironshore Canada (“Ironshore”) (now known as Riverstone)
Policy No.	C445959017
Limit of Liability	\$5,000,000

THIRD EXCESS POLICY	
Third Excess Insurer	Encon Group Inc. (“Encon”) (now known as Victor Canada)
Policy No.	DOX500650
Limit of Liability	\$5,000,000
FOURTH EXCESS POLICY	
Fourth Excess Insurer	GCNA
Policy No.	0112924-2
Limit of Liability	\$5,000,000
FIFTH EXCESS POLICY	
Fifth Excess Insurer	Arch Insurance Canada Ltd. (“Arch”)
Policy No.	DOX0060623-00
Limit of Liability	\$5,000,000
SIXTH EXCESS POLICY	
Sixth Excess Insurer	Newline Syndicate NWL1218 (“Newline”)
Policy No.	B1510FP000001D
Limit of Liability	\$5,000,000
SIDE A DIC POLICY	
Side A DIC Insurer	Arch
Policy No.	ABX0060159-01

4. Each of the Policies in the Insurance Tower reimburse the covered costs of defending the Actions, including legal fees, disbursements and fees for experts (collectively “defence costs”), and provide indemnification, if necessary, for a covered settlement or Judgement.

5. Covered defence costs which are tendered to and reimbursed by the relevant unexhausted layer of the Insurance Tower (the “Working Layer”) erode the insurance limits available in that Working Layer.

6. In order for higher levels of the Insurance Tower to respond to a covered claim for reimbursement of one or a combination of defence costs and indemnity, the available insurance limits in the Working Layer immediately below and all other underlying layers must first be exhausted by one or a combination of reimbursement of covered defence costs or indemnity.

7. I have been periodically updated through my counsel (Elizabeth Bowker at Stieber Berlach LLP). Also, based on my discussions with:

- (a) Anthony Gatensby, counsel to HDI Global SE Canada Branch (First Excess Policy) and to Ironshore Canada now known as Riverstone (Second Excess Policy); and
- (b) Marcus Knapp, counsel for Intact Insurance Company of Canada (formerly GCNA, the Guarantee Company of North America, for the Primary Policy and the Fourth Excess Policy),

I verily believe that during their respective roles as the Insurance Tower’s Working Layer insurers, each of those insurers have made sufficient periodic covered defence cost reimbursement payments to date under their respective Policies to exhaust the available limits of those Policies underlying the Victor layer (Third Excess Policy).

8. At the time of affirming this affidavit, the level of erosion of the Insurance Tower has therefore reached the Third Excess Policy issued by the Encon Group Inc. (now known as Victor), for which I am the responsible claims analyst.

9. I understand that a settlement has been reached in this class action, which will also resolve the Individual Actions. The Defendants will pay or cause to be paid CDN \$30 million, all-inclusive (the "Settlement Amount") to be transferred to an Administrator's account under the control of RicePoint Administration Inc. d/b/a Verita Global as court-approved Administrator, for the benefit of the Class (which will include the Plaintiffs in the four Individual Actions, who will be permitted to opt-into the Class Action, and submit claims as Class members).

10. On behalf of Victor as the current Working Layer, I am reviewing and approving the invoices which require payments of covered defence costs, and I anticipate, based on the estimated amount required by defence counsel to conclude the Settlement Approval process, that Victor's layer will be in a position to contribute remaining limits towards the Administrator's Account at the relevant time to exhaust the Third Excess Policy limits by a combination of reimbursing covered defence costs and indemnity for the Settlement.

11. I am advised by counsel representing the Fourth, Fifth and Sixth Excess Policies (respectively, Marcus Knapp, Mark Barrett and Marcus Snowden), and believe, that the limits of available insurance of each Policy (meaning limits other than the Side A policy limits and Arch's Side A policy limit, none of which are engaged based on the facts informing this Settlement), once paid into the Administrator's Account towards the Settlement Amount will also exhaust the limits of all available insurance then remaining in the Insurance Tower.

12. Having conferred with the Insurance Tower, although Side A coverage does not extend to indemnify for any proven allegations against the Individual Defendants of self-dealing, the gaining of any personal profit, remuneration or advantage to which an Individual Defendant was not legally entitled or for any willful violation of law, all Insurance Tower participants agree that funding the sum proposed in the Settlement Agreement is an appropriate compromise of any and all outstanding coverage issues and in the best interests of all policyholders to fully and finally conclude this litigation.

13. Given:

- (a) the exhaustion of underlying limits of available insurance; and
- (b) the Insurance Tower not having received notice of any other Claim or circumstance that might give rise to a Claim under the Policies at the time of affirming this Affidavit,

I have no reason to believe that, by paying the balance of the remaining available limits of insurance from the Third Excess Policy and the balance of the remaining Policies in the Insurance Tower into the Administrator's Account, such payment will adversely affect any competing or other interests in the Insurance Tower. I also believe that the payment is appropriate from the perspective of the corporate and individual insureds as Defendants, all of whom, to my understanding, having received advice from counsel and being in favour of the Insurance Tower contribution outlined above. This is also memorialized in their execution, through defence counsel, of the Settlement Agreement reached and proposed Final Order to be considered at the settlement approval hearing.

14. I make this Affidavit in support of the motion to approve the settlement of the Class Action and for no other or improper purpose.

AFFIRMED BEFORE ME:

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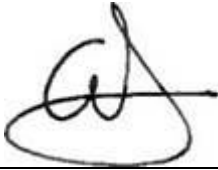
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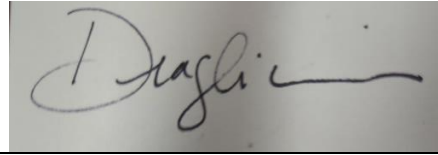
by video conference

by Alexandra Draghiciu, at the City of Ottawa, in the Province of Ontario, before me on March 19, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may be*)



Signature of Commissioner (*or as may be*)
Avi Sharabi (62370P)



Signature of Deponent

VECCHIO LONGO CONSULTING SERVICES INC.
Plaintiff

and APHRIA INC. et al
Defendants

Court File No.: CV-19-0061408600-CP

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at TORONTO

**AFFIDAVIT OF ALEXANDRA
DRAGHICIU**
(Affirmed March 19, 2025)

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