LINEAGE GROW COMPANY LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 16, 2019

AND

MANAGEMENT INFORMATION CIRCULAR

CONCERNING
A PROPOSED BUSINESS COMBINATION
INVOLVING LINEAGE GROW COMPANY LTD. AND FLRISH, INC.

APRIL 9, 2019

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LINEAGE GROW COMPANY LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT a special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares (the "**Common Shares**") of Lineage Grow Company Ltd. ("**Lineage**" or the "**Corporation**") will be held at the offices of Fogler, Rubinoff LLP, Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8 on May 16**,** 2019 at 11:00 a.m. (Toronto time) for the following purposes:

1. to consider and, if thought advisable, approve with or without variation, a special resolution, the full text of which is set forth in the accompanying management information circular (the "**Circular**"), to authorize and approve an amendment of the articles of Lineage to create a class of special shares, issuable in series, the first series to consist of up to 45,000,000 special shares designated as Series A Special Shares, the second series to consist of up to 12,000,000 special shares designated as Series B Special Shares, and the third series to consist of up to 15,000,000 special shares designated as Series C Special Shares (the "**Stock Dividend Amendment Resolution**");

2. to consider and, if thought advisable, approve with or without variation, a special resolution, the full text of which is set forth in the Circular (the "**Merger Amendment Resolution**"), to authorize and approve:

(a) a transaction (the "**Transaction**") between, inter alia, the Corporation and FLRish, Inc. ("**FLRish**") pursuant to which, among other things, the security holders of FLRish will complete a reverse take-over of Lineage, and the listing for trading of the Subordinate Voting Shares of the issuer resulting from the Transaction (the "**Resulting Issuer**") on the Canadian Securities Exchange, and pursuant to which the Lineage Shareholders will receive, upon completion of the Transaction, Subordinate Voting Shares; and

(b) amendments to the articles of Lineage to (i) consolidate the Common Shares on a 41.82 to one basis (the "**Consolidation**"); (ii) amend the rights and restrictions of the existing class of Common Shares in the capital of Lineage on a post-Consolidation basis and reclassify such class as subordinate voting shares (the "**Subordinate Voting Shares**"); (iii) create a class of multiple voting shares (the "**Multiple Voting Shares**"); and (iv) change the name of the Corporation to "Harborside, Inc." or such other name as FLRish and the Corporation may approve and acceptable to the regulatory authorities (the "**Name Change**");

provided that the foregoing amendments to the Articles of Lineage will be implemented only in the event that all conditions to the Transaction have been satisfied or waived (other than conditions that may be or are intended to be satisfied only after the Transaction is completed);

3. to consider and, if thought advisable, approve with or without variation, a special resolution, the full text of which is set forth in the Circular, to set the number of directors of the Corporation at seven (the "**Resulting Issuer Board Number Resolution**"), to be implemented only in the event that the Transaction is completed;

4. to consider and, if thought advisable, approve with or without variation, a special resolution, the full text of which is set forth in the Circular, to authorize the directors of Lineage to set the number of directors of the Corporation between the minimum and maximum provided in the articles (the "**Board Size Authorizing Resolution");**

5. to elect, conditional on and effective following the closing of the Transaction, Peter Bilodeau, Matthew K. Hawkins, Andrew Berman, Tracy Geldert, Adam Szweras, Sherri Altshuler and Nayir Munoz as directors of the Resulting Issuer as set out in the Circular (the "**Resulting Issuer Directors Election Resolution**"), to take effect only in the event that the Transaction is completed;

6. to consider and, if thought advisable, approve with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, to authorize and approve the adoption of a new equity incentive plan of the Resulting Issuer (the "**Resulting Issuer Equity Incentive Plan Resolution**"), to be implemented only in the event that the Transaction is completed;

7. to consider and, if thought advisable, approve with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, to authorize and approve the adoption of a new By-law of the Corporation which includes an advance notice provision (the "**New By-law Resolution**");

8. to consider and, if thought advisable, approve with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, to authorize and approve the adoption of a shareholder rights plan of the Resulting Issuer (the "**Resulting Issuer Rights Plan Resolution**"), to be implemented only in the event that the Transaction is completed; and

9. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

Each of the Stock Dividend Amendment Resolution, the Merger Amendment Resolution and the Board Size Authorizing Resolution must be approved by not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Each of the Resulting Issuer Board Number Resolution, the Resulting Issuer Director Election Resolution, the Resulting Issuer Equity Incentive Plan Resolution, the By-law Resolution and the Resulting Issuer Rights Plan Resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. In addition, the Merger Amendment Resolution will be used to approve a "restricted security reorganization" pursuant to National Instrument 41-101 *General Prospectus Requirements* and Ontario Securities Commission Rule 56-501 *Restricted Shares* (the "**Restricted Share Rules**"). The Restricted Share Rules require that a restricted security reorganization receive prior majority approval of the securityholders of the Corporation in accordance with applicable law, excluding any votes attaching to securities held, directly or indirectly, by affiliates of the Corporation or control persons of the Corporation. To the knowledge of management of the Corporation, no shareholder of Lineage is an affiliate or a control person of Lineage. However, Lineage has requested that its directors and officers, FMICA and certain of their affiliates refrain from voting their Common Shares on the Merger Amendment Resolution, and therefore a total of 8,639,875 Common Shares will be excluded from voting on the Merger Amendment Resolution.

The Transaction will be completed pursuant to the merger agreement between Lineage, Lineage Merger Sub Inc. ("**Lineage Subco**") and FLRish dated as of February 8, 2019, as may be amended from time to time (the "**Definitive Agreement**"). A copy of Definitive Agreement will be available under Lineage's profile on SEDAR at www.sedar.com. A description of the Transaction, FLRish, Lineage and the Resulting Issuer will be set out in a CSE Form 2A Listing Statement to be filed on SEDAR at www.sedar.com prior to the Meeting (the "**Listing Statement**") which Listing Statement is incorporated by reference in the Circular. Shareholders are urged to review the Listing Statement before voting on the matters to be transacted at the Meeting.

This notice of Meeting is accompanied by: (a) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders; and (b) a letter of transmittal for Shareholders to exchange their Common Shares for Subordinate Voting Shares upon completion of the Transaction. **The Circular is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof was March 18, 2019 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be received by the Corporation's transfer agent, Odyssey Trust Company ("**Odyssey**") by no later than 11:00 a.m. (Toronto time) on May 14, 2019 or, in the case of any adjournment or postponement of the Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the adjourned or postponed Meeting.

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

NOTICE-AND-ACCESS

The Corporation is utilizing the notice-and-access mechanism (the "**Notice-and-Access Provisions**") under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

Website Where Meeting Materials are Posted

The Notice-and-Access Provisions allow reporting issuers to post electronic versions of proxy-related materials, such as information circulars and annual financial statements, (collectively, the "**Proxy-Related Materials**") online, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Listing Statement to be filed on SEDAR prior to the Meeting (the "**Listing Statement**") and the Circular may be found on the Corporation's SEDAR profile at www.sedar.com and also on the Corporation's website at www.lineagegrow.com under "News". The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Corporation anticipates that using the Notice-and-Access Provisions for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can

call the Corporation's transfer agent Odyssey toll-free at 1-888-290-1175 or outside Canada and U.S. 1-587-885-0960. Shareholders may also obtain paper copies of the Circular and Listing Statement free of charge by contacting Odyssey toll-free at 1-888-290-1175 or outside Canada and U.S. call 1-587-885-0960; or visit www.odysseycontact.com or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Odyssey, as applicable, by Monday, May 6, 2019, in order to allow sufficient time for Shareholders to receive the paper copies, and to return their proxies to Odyssey, or voting instruction forms to intermediaries, in each case before 11:00 a.m. (Toronto time) on May 14, 2019, or the time that is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the "**Proxy Deadline**").

Voting

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy.

FORM OF PROXY FOR REGISTERED SHAREHOLDERS

Completed proxies, for registered Shareholders, must be returned to Odyssey, the Corporation's transfer agent, (i) by mail c/o Proxy Department, 1717, 25 Adelaide St E, Toronto, ON M5C 3A1; or (ii) via the Internet at https://odysseytrust.com/Transfer-Agent/Login by 11:00 a.m. (Toronto time) on May 14, 2019, or, or the time that is not later than the Proxy Deadline.

VOTING INSTRUCTION FORMS FOR NON-REGISTERED SHAREHOLDERS

Non-registered Shareholders, who have not waived the right to receive the Proxy-Related Materials will either: (i) receive a voting instruction form; or (ii) be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted to the number of common shares beneficially owned by the non-registered Shareholder but which is otherwise not completed.

Non-registered Shareholders should carefully follow the instructions that accompany the voting instruction form or the proxy, including those indicating when and where the voting instruction form or the proxy is to be delivered. Voting instructions must be deposited by the Proxy Deadline, however your voting instruction form may provide for an earlier date in order to process your votes in a timely manner. Voting instruction forms permit the completion of the voting instruction form online or by telephone. A non-registered Shareholder wishing to attend and vote at the Meeting in person should follow the corresponding instructions on the voting instruction form or, in the case of a proxy, strike out the names of the persons named in the proxy and insert the non-registered Shareholder's name in the space provided.

DATED April 9, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

"Peter Bilodeau"
Peter Bilodeau

Director and Chief Executive Officer

LINEAGE GROW COMPANY LTD.
MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular ("**Circular**") is provided in connection with the solicitation of proxies by management of Lineage Grow Company Ltd. (the "**Corporation**" or "**Lineage**") for use at a special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of the Corporation. The Meeting will be held at the offices of Fogler, Rubinoff LLP, Suite 3000, 77 King Street West, TD North Tower, Toronto, Ontario M5K 1G8 on May 16, 2019 at 11:00 a.m. (Toronto time), or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual and special meeting accompanying this Circular (the "**Notice**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

The Corporation is utilizing the notice-and-access mechanism (the "**Notice-and-Access Provisions**") under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") for distribution of this Circular to registered and non-registered (or beneficial) shareholders. Further information on the Notice-and-Access Provisions is contained below under the heading "General Information – "Notice-and-Access" and Shareholders are encouraged to read this information for an explanation of their rights.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a "**Proxy**") or a voting information form. Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

Unless otherwise stated, the information contained in this Circular is given as of April 9, 2019. All time references in this Circular are references to Toronto time.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Odyssey Trust Company ("**Odyssey**").

The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

In order to validly appoint a proxy, Proxies must be received by Odyssey, by mail c/o Proxy Department, 1717, 25 Adelaide St E, Toronto, ON M5C 3A1; or (ii) via the Internet at https://odysseytrust.com/Transfer-Agent/Login by 11:00 a.m. (Toronto time) on May 14, 2019, or, or the time that is not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or Odyssey at c/o Proxy Department, 1717, 25 Adelaide St E, Toronto, ON M5C 3A1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND IN THIS CIRCULAR. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of director nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only Proxies deposited by Shareholders who are registered Shareholders (that is, Shareholders whose names appear on the records maintained by the registrar and Transfer Agent for the Common Shares as registered Shareholders) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers (or their agents and nominees) are prohibited from voting shares for the broker's clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation.** Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice, a letter of transmittal and a voting instruction form or a Proxy, as applicable (collectively, the "**Notice Package**"), directly to NOBOs and indirectly through intermediaries to OBOs. NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. The Corporation will pay the fees and expenses of intermediaries for their services in delivering the Notice Package to OBOs in accordance with NI 54-101.

The Corporation has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If Odyssey has sent these materials directly to a NOBO, such NOBO's name and address and information about its holdings of Common Shares have been obtained from the intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a voting instruction form from Odyssey. NOBOs should complete and return the voting instruction form to Odyssey in the envelope provided. Odyssey will tabulate the results of voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such voting instruction forms.

Applicable securities regulatory policy requires intermediaries, on receipt of the Notice Package that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7 *Request for Voting Instructions Made by Intermediaries* ("**Form 54-101F7**"). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) or postponement(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-10IF7. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge will then provide aggregate voting instructions to Odyssey, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment or postponement thereof.

By choosing to send the Notice Package to NOBOs directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering the Notice Package to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Circular, the Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

Notice and Access

As noted above, the Corporation is utilizing the notice-and-access mechanism (the "**Notice-and-Access Provisions**") under NI 54-101 and NI 51-102 for distribution to this Circular to Beneficial Shareholders and for Registered Shareholders.

The Notice-and-Access Provisions allow reporting issuers to post electronic versions of proxy-related materials, such as forms of proxy, information circulars and the financial statements (collectively, the "**Proxy-Related Materials**") online via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Registered and Beneficial Shareholders. Electronic copies of the Circular and the Listing Statement may be found on the Corporation's SEDAR profile at www.sedar.com and also on the Corporation's web site www.lineagegrow.com. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, Registered and Non-Registered Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular. Shareholders are reminded to review this Circular before voting.

Although this Circular and the Listing Statement will be posted electronically online as noted above, Shareholders will receive paper copies of the Notice Package via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and a letter of transmittal for exchange of their Common Shares for post-Consolidation Subordinate Voting Shares of the Resulting Issuer.

The Corporation anticipates that relying on the Notice-and-Access Provisions will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing Proxy-Related Materials.

The Corporation anticipates that using the Notice-and-Access Provisions for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call the Corporation's transfer agent Odyssey toll-free at 1-888-290-1175 or outside Canada and U.S. 1-587-885-0960. Shareholders may also obtain paper copies of the Circular and Listing Statement free of charge by contacting Odyssey toll-free at 1-888-290-1175 or outside Canada and U.S. call 1-587-885-0960 or visit www.odysseycontact.com, or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Odyssey, as applicable, by Monday, May 6, 2019, in order to allow sufficient time for Shareholders to receive the paper copies, and to return their proxies to Odyssey, or voting instruction forms to intermediaries, in each case before 11:00 a.m. (Toronto time) on May 14, 2019, or the time that is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the federal corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the Canadian securities laws applicable to the Corporation. Shareholders should be aware that disclosure requirements under the Canadian securities laws applicable to the Corporation differ from the disclosure requirements under United States securities laws.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of March 18, 2019 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the Record Date and the date of this Circular, the Corporation had 75,997,868 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

As at the date of this Circular, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by Odyssey, electronic filings with SEDAR and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation.

As at the date of this Circular, the current Directors and senior officers of the Corporation as a group beneficially owned, directly or indirectly 6,920,862 Common Shares constituting approximately 9.11% of the issued and outstanding Common Shares on a non-diluted basis.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing persons has been indebted to the Corporation at any time since the commencement of the Corporation's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular (including the Listing Statement which is incorporated by reference herein), no director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended January 31, 2018, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation. In particular, Item 20 - *Interest of Management and Others in Material Transactions* of the Listing Statement provides disclosure of the interests of certain directors, officers and proposed nominees for election as directors of the Corporation in the Transaction and related transactions.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular (including the Listing Statement which is incorporated by reference herein), no director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting (other than the election of director). In particular, Item 20 - *Interest of Management and Others in Material Transactions* of the Listing Statement provides a summary of disclosure of interest of certain directors, officers and proposed nominees for election as directors of the Corporation in the Transaction and related transactions.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Corporation's fiscal year ended January 31, 2018, all required information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	2,915,000	$0.10	924,711
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,915,000	$0.10	924,711

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors of Lineage (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board currently consists of five directors. The Board has concluded that Aurelio Useche, Hamish Sutherland, Robert Schwartz and David Posner are "independent" for purposes of Board membership, as defined in NI 58-101. By virtue of his management positions and his status as promoter of the Corporation, Peter Bilodeau is not considered to be "independent".

A member of the Board is considered to be independent if the member has no direct or indirect material relationship with the issuer. A material relationship means a relationship which could, in the view of the reporting issuer's Board, reasonably interfere with the exercise of a member's independent judgment.

Directorships

In the past five years, the directors and officers of the Corporation have held officer or director positions with the following issuers:

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
Peter Bilodeau	Quinsam Capital Corporation	CSE	Director and President	December 2017	Present
David Posner	The Tinley Beverage Company Inc.	CSE	Director	October 2015	February 2017
	Capricorn Business Acquisitions Inc.	NEX	Director	December 2016	Present
	Rigel Technologies Inc.	TSX-V	Director and President	April 2017	June 2017
	Nutritional High International Inc.	CSE	Chairman	April 2014	Present
Aurelio Useche	Relevium Technologies Inc.	TSX-V	Chief Executive Officer	November 2016	Present
Hamish Sutherland	Bedrocan Cannabis Corp.	TSX-V	Chief Operation Officer	November 2013	August 2016
	Indiva Ltd.	TSX-V	Director	December 2017	Present
Keith Li	Quinsam Capital Corporation	CSE	Chief Financial Officer	March 2018	Present
	Rigel Technologies Inc.	TSX-V	Chief Financial Officer	December 2017	Present

Orientation and Continuing Education

The Board is comprised of individuals with either prior experience as a director of a publicly listed issuer or a private entity or with significant business experience as a senior business manager. While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as annual reports, listing statements, prospectuses, proxy solicitation materials, budgets and operations reports) is provided to new Board members to ensure that each new director is familiar with the business of the Corporation and the functions of the Board. In addition, new directors are encouraged to meet with senior management.

Ethical Business Conduct

Ethical business conduct and behaviour is of great importance to the Board and management of the Corporation. The Corporate Governance Committee and the Board have discussed the adoption of a written code of conduct but as yet have not adopted a written code. The Corporation does expect that each of the directors, officers and employees conduct themselves ethically and within the confines of professional behaviour, including the avoidance of conflicts of interest, protection and proper use of Corporation information, compliance with laws, rules and regulations and reporting of illegal or unethical behaviour.

Any director or officer of the Corporation shall disclose in writing or request to have it entered into the minutes of Board's meeting or any of the committees of the directors the nature and extent of any interest in a material contract or a material transaction, whether made or proposed, as soon as the director or officer becomes aware of such a contract or transaction. In such a case, the director shall abstain from voting on any resolution to approve such a contract or transaction.

Nomination of Directors

The Compensation and Nominating Committee is entrusted with reviewing on a periodic basis the composition of the Board and, when appropriate, with maintaining a list of potential candidates for Board membership and interviewing potential candidates for Board membership.

Compensation

At present, no compensation other than the grant of options is paid to the Corporation's directors, in such capacity. For a description of the process by which the Board determines compensation for the Corporation's officers and directors, see "*Executive Compensation – Compensation of Directors*".

Other Board Committees

Other than the Audit Committee, the Corporation's Board has a Compensation and Nominating Committee and a Corporate Governance Committee.

The Compensation and Nominating Committee's responsibility is to formulate and make recommendations to the directors of the Corporation in respect of compensation issues relating to directors and officers of the Corporation. The Compensation and Nominating Committee is comprised of Robert Schwartz (Chair), Aurelio Useche and Hamish Sutherland all of whom are independent. See "*Executive Compensation – Compensation Governance*".

The Corporate Governance Committee's responsibility is to assist the Board in fulfilling its oversight responsibilities in the following principal areas: (i) developing a set of corporate governance rules; (ii) reviewing and recommending the compensation of the Corporation's directors; (iii) facilitating the evaluation of the Board and committees of the Board. The Corporate Governance Committee is comprised of Hamish Sutherland (Chair), Robert Schwartz and Aurelio Useche, all of whom are independent.

Assessments

The Board does not formally review the contribution and effectiveness of the Board, its members or committees. The Board believes that its size facilitates an informal review process through discussion

and evaluation between the Chairman of the Board, the Chief Executive Officer, and the Chair of the Corporate Governance Committee.

Pension Plan Benefits

The Corporation does not have a pension plan for its Named Executive Officers and directors.

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Corporation is responsible for the Corporation's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Corporation's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation's external auditors. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors.

The full text of the charter of the Corporation's Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

The Board members of the Corporation's Audit Committee are:

Name	Independent[(1)]	Financially Literate[(2)]
David Posner (Chair)	Yes	Yes
Hamish Sutherland	Yes	Yes
Aurelio Useche	Yes	Yes

Notes:

(1) A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to his or her responsibilities as an Audit Committee member.

Name of Member	Relevant Experience and Qualifications
David Posner (Chair)	Mr. David Posner currently serves as the Chairman of the board of Nutritional High International Inc. ("**NHII**"), as a director of Capricorn Business Acquisitions Inc., and as a director and VP-Communications of Aura Health Corp., (a private company involved in the development and acquisition of marijuana health clinics in the US). Between July 2014 and July 2016, Mr.

Name of Member	Relevant Experience and Qualifications
	Posner was the President and Chief Executive Officer of NHII. Between 2012 and 2014, Mr. Posner served as the Acquisitions Manager for Stonegate Properties Inc., where he managed real estate properties and brokered deals in Canada and Oklahoma. He was a Managing Director of Sales and Acquisitions for Maria Chiquita Development Company from 2005 to 2012. From 2004 to 2007 he was a partner in a private investment group investment group involved in the acquisition, re-zoning and re-positioning for sale of land holdings in Costa Rica and Panama. Mr. Posner holds a Bachelor of Arts degree from York University
Hamish Sutherland	Mr. Sutherland is currently the co-CEO of White Sheep Corp, a producer of legal cannabis in several international jurisdictions. He is the former COO of Bedrocan Canada and the former President and Managing Director of Bid.Com in the Asia Pacific. He excels in high-growth, dynamic business operations in pharma, technology, integrated solutions, manufacturing and services. Mr. Sutherland's areas of expertise include: start-ups, high growth strategies, international market development, technology branding, financial capital structuring for small, high-growth tech companies. He holds a Bachelor of Engineering Physics from McMaster University & an MBA from the Schulich School at York University.
Aurelio Useche	Mr. Useche is currently the CEO of Relevium Technologies and has over 20 years of senior management experience in both private and publicly traded corporations in manufacturing, clean technologies, mineral exploration and most recently, consumer products and e-commerce. Mr. Useche has served on the board of several private and public corporations. Mr. Useche holds an Executive MBA from Queens University and a BA in Economics from Concordia University. Mr. Useche is a CPA, CMA and is also a Certified Corporate Director with ICD.D.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed to the Corporation by the external auditors for professional services.

	Year ended January 31, 2018	Year ended January 31, 2017
Audit Fees	$28,000	$12,000
Audit Related Fees	Nil	$240
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil

Change of Auditor

Effective March 29, 2019, UHY McGovern Hurley LLP resigned as auditor of the Corporation and MNP LLP was appointed to conduct audit services for the Corporation. In accordance with section 4.11 of NI 51-102, the Corporation filed the "reporting package" on SEDAR under the Company's profile. The reporting package**,** which is attached as Exhibit 6 to this Circular**,** includes the Change of Auditor Notice, a letter from UHY McGovern Hurley LLP as former auditor and a letter from MNP LLP as successor auditor.

EXECUTIVE COMPENSATION

Lineage Executive Compensation

Please see item 15.1 - *Lineage Executive Compensation* in the Listing Statement for the executive compensation disclosure for Lineage.

Resulting Issuer Executive Compensation

The following table sets forth the anticipated compensation to be paid or awarded to the directors and the following executive officers of the Resulting Issuer: (i) the President and Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the next most highly compensated individual whose total compensation will be more than $150,000; and (iv) directors. For the purpose of this Circular, the Named Executive Officers of the Resulting Issuer are expected to be: Andrew Berman, CEO; Keith Li, CFO; and John H. "Jack" Nichols, General Counsel and Corporate Secretary.

Table of Proposed Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, Consulting Fee, Retainer or Commission (US$)**	**Bonus (US$)**	**Committee or meeting fees (US$)**	**Value of Perquisites (US$)**	**Value of all other compensation (US$)**	**Total compensation (US$)**
Andrew Berman Director, President and CEO	2019	$310,000	$200,000[(1)]	Nil	Nil	Nil	$510,000
Keith Li Chief Financial Officer	2019	$220,000	TBD	Nil	Nil	Nil	$220,000
John H. "Jack" Nichols General Counsel & Corporate Secretary	2019	$310,000	$150,000[(1)]	Nil	Nil	Nil	$460,000
Adam Szweras Director	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Peter Bilodeau Non-Executive Chairman	2019	$50,000	Nil	Nil	Nil	Nil	$50,000
Tracy Geldert Director	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Matthew K. Hawkins Director	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Sherri Altshuler Director	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Nayir Munoz Director	2019	$106,000	Nil	Nil	Nil	Nil	$106,000

Note:

(1) Contractual bonus on the closing of the Transaction.

Termination and Change of Control Benefits

Other than as disclosed herein, the Resulting Issuer will not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer ("**NEO**") at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Resulting Issuer or a change in an NEO's responsibilities or change in work location outside of Alameda County, California.

- Under Andrew Berman's employment agreement, in the event of termination by expiration or without cause, Mr. Berman is entitled to receive any equity entitlements as set forth in the employment agreement and pursuant to any relevant profits interest agreement and one year of severance that includes base salary and equivalent health benefits.

- Under the Jack Nichols employment agreement, in the event of termination by expiration or without cause, Mr. Nichols is entitled to receive any equity entitlements as set forth in the employment agreement and pursuant to any relevant profits interest agreement and one year of severance that includes base salary and equivalent health benefits.

- Regarding Mr. Keith Li, CFO, please see Item 15.1 - *Lineage Executive Compensation – Termination and Change of Control Benefits and Management Contracts – Branson Agreement.*

Oversight and Description of Director and Named Executive Officer Compensation

The board of directors of the Resulting Issuer will review the compensation of its executives following completion of the Transaction and make such changes as it deems appropriate.

THE TRANSACTION

Summary of the Transaction

On February 8, 2019, the Corporation, Lineage Merger Subco Inc., a wholly-owned subsidiary of the Corporation ("**Lineage Subco**") and FLRish entered into a merger agreement, as may be ameded from time to time (the "**Definitive Agreement**") whereby the Corporation, FLRish and Lineage Subco will combine their respective businesses (the "**Transaction**" or the "**Transaction**"). Pursuant to the Definitive Agreement, the Corporation has agreed to, among other things, call the Meeting to seek approval of Shareholders of the Stock Dividend Amendment Resolution, the Merger Amendment Resolution, the Resulting Issuer Board Number Resolution, the Resulting Issuer Director Election Resolution, the Resulting Issuer Equity Incentive Plan Resolution, the New By-law Resolution and the Resulting Issuer Rights Plan Resolution (collectively, the "**Lineage Resolutions**"). Upon the satisfaction or waiver of the conditions to the completion of the Transaction, including, without limitation the completion of a name change, an equity financing of FLRish for minimum gross proceeds of C$10 million, Consolidation of the Common Shares and the changes to the Corporation's capital structure, the parties will complete the Transaction.

Following completion of the Transaction, the shareholders of FLRish will hold a significant majority of the outstanding Common Shares on a post-Consolidation basis (to be redesignated Subordinate Voting Shares). As part of the Transaction, the Corporation intends to change its name to "Harborside Inc.", or such other name as may be determined by FLRish, subject to applicable regulatory approval.

FLRish was incorporated on November 24, 2015 as a California benefit corporation under the State of California Corporations Code in the United States of America. FLRish was co-founded by Steve DeAngelo and dress wedding in 2006, after being awarded one of the first six medical cannabis licenses granted in the United States. As one of the oldest, largest and most respected cannabis retailers in the world, FLRish has played an instrumental role in making cannabis safe and accessible to a broad and diverse community of California consumers. Today, the FLRish brand is well known throughout California and all around the world, and is expanding, expecting to grow to five or more locations in 2019. In addition, FLRish owns and operates a cultivation campus in Salinas, California that was established in 2016 and produces high-quality, low-cost cannabis at scale for sale through the FLRish dispensaries, third-party dispensaries, distributors, and manufacturing partners. FLRish is currently structured as a private California corporation. There is no public market for the FLRish Shares.

Transaction Highlights

- On closing of the Transaction, the holders of FLRish's shares will receive either a combination of Multiple Voting Shares and Subordinate Voting Shares, or Subordinate Voting Shares, for each FLRish share outstanding. The voting rights underlying the Multiple Voting Shares track the respective economic interests of the Subordinate Voting Shares.

- The Resulting Issuer will seek a listing of the Subordinate Voting Shares on the Canadian Securities Exchange (the "**CSE**").

- Lineage intends to effect a change of its name to "Harborside, Inc." and has reserved a new stock symbol to "HBOR", or such other name as FLRish and Lineage may approve and deem acceptable to the regulatory authorities.

- FLRish plans to conduct an offering of subscription receipts in a private placement to be conducted prior to the closing of the Transaction, to raise a minimum of C$10 million (the "**Minimum Offering**"), up to C$70 million (the "**Maximum Offering**"), or C$80.5 million if a 15% over-allotment option (the "**Over Allotment Option**") is exercised in full.

- The Resulting Issuer's business objective will be to maintain and build FLRish's position as California's premier vertically-integrated cannabis company.

- The Common Shares shall be consolidated and reclassified on a post-Consolidation basis as Subordinate Voting Shares, then the number of underlying shares will be adjusted such that 41.82 shares will be converted into one (1) Subordinate Voting Share.

- The Transaction includes three proposed stock dividends to Lineage shareholders to be granted subject to completion of i) the Transaction, ii) the Lux Acquisition (as defined below), and iii) the Agris Farms Acquisition (as defined below).

The Transaction Structure

The Transaction is currently structured as a three-cornered merger (the "**Merger**"), whereby FLRish will merge with Lineage Subco, a newly incorporated company under the laws of Delaware (and a direct, wholly-owned subsidiary of Lineage) to form a merged corporation ("**Amalco**"). Immediately prior to the Merger taking effect, Lineage will consolidate its Common Shares on the basis of 41.82 Common Shares into one (1) new Common Share (the "**Consolidation**"), reclassify the post-Consolidation Common Shares as Subordinate Voting Shares, and create a new class of Multiple Voting Shares. On closing of the Transaction and the Merger taking effect, the holders of FLRish's shares will receive either a combination of Multiple Voting Shares and Subordinate Voting Shares, or Subordinate Voting Shares, for each FLRish share outstanding, and Amalco will become a wholly-owned subsidiary of Lineage.

The Resulting Issuer on completion of the Transaction and the Merger will seek a listing of the Subordinate Voting Shares on the CSE. The Multiple Voting Shares will not be listed for trading on any exchange and will each carry the right to 100 votes at meetings of the shareholders of the Resulting Issuer, and the Subordinate Voting Shares will carry one (1) vote per share held.

Subject to certain conversion limitations, the Multiple Voting Shares are convertible into Subordinate Voting Shares at any time at the option of the holder on a 100:1 basis, subject to adjustment in certain customary circumstances. The conversion limitations will include the Resulting Issuer taking necessary actions to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4

under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**")). Accordingly, the Resulting Issuer will not affect any conversion of Multiple Voting Shares to the extent that after giving effect to all permitted issuances after such conversion of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act) would exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares.

The Listing Statement in respect of the Transaction will be prepared and posted on the CSE website and under the profile of Lineage on SEDAR at www.sedar.com in accordance with Policy 2 of the CSE prior to the closing of the Transaction. A press release will be issued once the Listing Statement has been filed.

FLRish Convertible Debenture Unit Offering

From October 2018 up to February 6, 2019, FLRish completed a private placement ("**CD Unit Offering**") of 45,852 units of FLRish (the "**CD Units**") at a price of C$1,000 per CD Unit for aggregate gross proceeds of C$45,852,000, C$37,228,000 of which was issued for cash (the "**Cash Portion**") and C$8,624,000 of which was issued in settlement of certain debts (the "**Debt Portion**"). Each CD Unit consisted of C$1,000 principal amount of unsecured convertible debentures (a "**FLRish Convertible Debenture**") and 87 warrants of FLRish (each, a "**CD Unit Warrant**"). The FLRish Convertible Debentures bear interest at a rate of 12.0% per annum and the interest is payable in cash or by issuing shares of FLRish Series B Common Stock at a price of C$6.90 per share against the amount of interest due, at the sole option of FLRish. The FLRish Convertible Debentures will mature on October 30, 2021. The principal amount of each FLRish Convertible Debenture is convertible into shares of FLRish Series B Common Stock at the option of the holder and automatically upon completion of the Transaction at a conversion price equal to the lower of: (a) C$6.90; or (b) a 10% discount to FLRish's share price at listing for a financing equal to C$5,000,000 or greater, subject to adjustment in certain customary events. FLRish has the right to prepay the principal amount of the FLRish Convertible Debentures at any time. The Cash Portion of the FLRish Convertible Debentures are governed by a debenture indenture dated as of October 30, 2018, as amended on February 6, 2019 between FLRish and Odyssey Trust Company as debenture trustee. The Debt Portion of the FLRish Convertible Debentures are governed by a debenture indenture dated as of February 6, 2019.

Each CD Unit Warrant is exercisable into one share of FLRish Series B Common Stock at a price of C$8.60 per share until October 30, 2020, subject to adjustment and/or acceleration in certain circumstances. The CD Unit Warrants are governed by a warrant indenture dated as of as of October 30, 2018, as amended on February 6, 2019 between FLRish and Odyssey Trust Company as warrant agent.

Foundation Markets Inc. ("**FMI**") acted as the agent for the Cash Portion of the CD Unit Offering, and received, along with certain other placement agents, a cash commission equal to 7% of the aggregate proceeds of sales of the Cash Portion of the CD Units to non-U.S. purchasers and an aggregate of 168,303 broker warrants. Each broker warrant issued in connection with the Cash Portion of the CD Unit Offering is exercisable into one share of FLRish Series B Common Stock at an exercise price of C$6.90 per share until the earlier of 60 months from October 30, 2018 and 24 months from the completion of the Transaction, subject to adjustment and/or acceleration in certain circumstances.

On closing of the Transaction, the shares of FLRish Series B Common Stock issued upon the automatic conversion of the FLRish Convertible Debentures will be exchanged into Subordinate Voting Shares, or a combination of Subordinate Voting Shares and Multiple Voting Shares, and the CD Unit Warrants and the broker warrants will be replaced with equivalent securities of the Resulting Issuer.

Name Change, New Equity Compensation Plan, New By-law and Shareholder Rights Plan

In connection with the transactions contemplated in the Definitive Agreement, Lineage intends to effect, among other items of special business, a change of its name to "Harborside, Inc." effective on closing of the Transaction and has reserved a new stock symbol to "HBOR", or such other name as FLRish and Lineage may approve and deem acceptable to the regulatory authorities. Lineage also intends to adopt a new by-law which includes advance notice provisions for election of directors, with the new by-law to take effect on Shareholder approving at the Meeting. Further, Lineage will adopt a new equity incentive plan and a new shareholder rights plan effective on closing of the Transaction.

Proposed Concurrent Offering

FLRish entered into an engagement letter dated April 5, 2019 (the "**Engagement Letter**") with AltaCorp Captial Inc. ("**AltaCorp**") and FMI (together with AltaCorp, the "**Co-Lead Agents**") on behalf of a syndicate of agents (together with the Co-Lead Agents, the "**Agents**") to complete a brokered private placement offering (the "**Concurrent Offering**") of subscription receipts of FLRish (each, a "**Subscription Receipt**") at a price of C$7.75 per Subscription Receipt (the "**Concurrent Offering Price**"), for minimum gross proceeds of at least C$10,000,000 from the sale of 1,290,323 Subscription Receipts (the "**Minimum Offering**") and maximum gross proceeds of up to C$70,000,000 from the sale of 9,032,258 Subscription Receipts (the "**Maximum Offering**"). In connection with the Concurrent Offering, FLRish has granted to the Agents an option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the sole discretion of the Agents, at any time up to two business days prior to closing of the Concurrent Offering, to purchase up to an additional 15% of the number of Subscription Receipts sold pursuant to the Concurrent Offering at the Concurrent Offering Price. In the event the Over-Allotment Option is exercised in full upon completion of the Maximum Offering, FLRish will issue an additional 1,354,839 Subscription Receipts at the Offering Price for additional gross proceeds of approximately C$10,500,000 (aggregate gross proceeds of approximately $80,500,000).

The Subscription Receipts will be governed by the terms of a Subscription Receipt Agreement to be entered into among the Co-Lead Agents, FLRish and OTC, as Subscription Receipt Agent. Upon the satisfaction or waiver of all Escrow Release Conditions (as defined below), including but not limited to closing of the Transaction, each Subscription Receipt will be automatically converted, without payment of any additional consideration and with no further action on the part of the holder, into one share of FLRish Series D Common Stock (each, an "**SR Share**") and one-half of one FLRish warrant (each whole warrant, an "**SR Warrant**"). Each SR Warrant will entitle the holder thereof to purchase one SR Share at an exercise price of C$9.70 per share for a period of two years following closing of the Concurrent Offering, subject to adjustment in certain circumstances. Each SR Share and each SR Warrant will immediately be exchanged on closing of the Transaction for equivalent securities of the Resulting Issuer, being one Resulting Issuer Share and one warrant to purchase one Resulting Issuer Share. Following completion of the Transaction, in the event that the volume weighted average trading price of the Resulting Issuer Shares on the CSE for 10 consecutive trading days exceeds C$14.50, the Resulting Issuer will have the right to accelerate the expiration date of the SR Warrants upon not less than 15 trading days' prior written notice. The SR Warrants will be governed by the terms of a warrant indenture to be entered into among the Co-Lead Agents, FLRish, Lineage and OTC, as warrant agent.

Under the terms of the Engagement Letter, the Agents have been appointed to act as financial advisors and agents in connection with the Concurrent Offering on a best efforts basis. The Agents will receive an aggregate cash fee (the "**Offering Fee**") equal to 7% of the gross proceeds of the Concurrent Offering and such number of broker warrants (the "**SR Broker Warrants**") as is equal to 7% of the number of Subscription Receipts issued pursuant to the Concurrent Offering. Each SR Broker Warrant will be exercisable to purchase one SR Share at the Concurrent Offering Price for a period of 24 months

following the closing of the Concurrent Offering. The SR Broker Warrants will be exercisable only following the satisfaction of the Escrow Release Conditions. Each SR Broker Warrant will immediately be exchanged on closing of the Transaction for an equivalent broker warrant of the Resulting Issuer.

Proceeds raised from purchasers sourced by FLRish and set out in a president's list delivered to and agreed by AltaCorp in advance of closing of the Concurrent Offering (the "**President's List**") shall be subject only to a cash fee equal to 3% of the gross proceeds received from such President's List subscriptions. No Offering Fee shall be paid and no SR Broker Warrants shall be issued in connection with President's List subscriptions.

The gross proceeds of the Concurrent Offering, less 50% of the Offering Fee and all of the Co-Lead Agents' expenses, will be deposited with and held by the Subscription Receipt Agent in an interest-bearing account (the "**Escrowed Funds**"), to be released upon satisfaction or waiver of the Escrow Release Conditions. The remaining 50% of the Offering Fee payable to the Agents (plus any pro rata portion of accrued interest earned thereon) will be released from escrow to the Agents out of the Escrowed Funds and the balance of the Escrowed Funds will be released from escrow to FLRish upon satisfaction or waiver, on or before the Escrow Release Deadline (as defined below), of the following conditions (together, the "**Escrow Release Conditions**"):

a) written confirmation from each of FLRish and Lineage that all conditions to the completion of the Transaction have been satisfied or waived, other than the release of the Escrowed Funds and the closing of the Transaction, each of which will be completed forthwith upon release of the Escrowed Funds;

b) the receipt of all required shareholder and regulatory approvals required for the Transaction;

c) the distribution of (i) the SR Shares and SR Warrants underlying the Subscription Receipts, and (ii) the Resulting Issuer Shares to be issued in exchange for the SR Shares and issuable upon exercise of the SR Warrants pursuant to the Transaction being exempt from applicable prospectus and registration requirements of applicable securities laws;

d) the Resulting Issuer Shares being conditionally approved for listing on the CSE and the completion, satisfaction or waiver of all conditions precedent to such listing, other than release of the Escrowed Funds;

e) such other customary escrow release conditions as may be requested by the Co-Lead Agents, acting reasonably; and

f) FLRish and the the Co-Lead Agents (acting on their own behalf and on behalf of the other Agents) having delivered a release notice to the Subscription Receipt Agent confirming that the conditions set forth in (a) through (e) above have been satisfied or waived (the "**Escrow Release Notice**").

In the event that the Subscription Receipt Agent does not receive the Escrow Release Notice prior to 5:00 p.m. (Toronto time) on the date that is 120 days after closing of the Concurrent Offering or such later date as may be approved by holders of at least $66^2/3\%$ of the Subscription Receipts (the "**Escrow Release Deadline**"), or if prior to such time, FLRish advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipt Agent will return to holders of Subscription Receipts, within two business days of the Escrow Release Deadline, an amount equal to the aggregate Concurrent Offering Price of the Subscription Receipts held by them and their *pro rata* portion of any interest earned thereon. FLRish will be responsible and liable to pay for any shortfall between the

aggregate gross proceeds of the Concurrent Offering (including any applicable interest and income payable or that would have been earned) and the Escrowed Funds.

This Circular does not constitute an offer to sell or a solicitation of an offer to sell the Subscription Receipts in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Capitalization

Lineage Capitalization

As of the date of this Circular, prior to the Consolidation, Lineage has the following securities issued and outstanding: (a) 75,997,868 Common Shares; (b) convertible debentures with an aggregate principal amount of C$1,064,000 (US$800,000), which is convertible into 3,040,000 Common Shares at conversion price per share of C$0.35); (c) warrants exercisable for 23,307,664 Common Shares with a weighted average exercise price of approximately C$0.32; and (d) options to acquire a total of 5,613,333 Common Shares at a weighted average price of C$0.20. In addition, Lineage has committed or reserved for the payment of advisory fees in Lineage common shares to FMI Capital Advisory Inc. ("**FMICA**") and FMI pursuant to a number of financing advisory agreements. Lastly, Lineage is expected to issue certain securities with respect to the proposed Lineage acquisitions, including securities issuable to the sellers in the acquisitions and the proposed stock dividend in Special Shares (defined below).

Upon closing of the Transaction, the 75,997,868 Common Shares will be consolidated into and reclassified as 1,817,340 Subordinate Voting Shares, and all Lineage convertible securities will be adjusted based on the Consolidation and will become securities to acquire Subordinate Voting Shares.

FLRish Capitalization

As of the date of this Circular, FLRish has the following securities issued and outstanding: (a) 4,443,622 shares of Series A Common Stock, (b) 15,489,154 shares of Series B Common Stock, (c) 6,250,000 shares of Series A-1 Preferred Stock, (d) 1,422 shares of Series A-2 Preferred Stock, (e) 3,989,124 CD Unit Warrants, (f) FLRish Convertible Debentures in an aggregate principal amount of C$45,852,000 (g) broker warrants to purchase up to 168,303 shares of Series B Common Stock, and (h) an aggregate of 6,556,378 options and contingent stock grants to purchase shares of Series A Common Stock with a weighted average exercise price of US$0.93. The shares of Series A-1 Preferred Stock and shares of Series A-2 Preferred Stock convert, upon certain occurrences including the proposed Merger, into shares of Series B Common Stock.

Subject to the terms and conditions of the Definitive Agreement, upon closing of the Transaction and the Merger:

(i) each share of FLRish Series A Common Stock shall be converted into the right to receive 0.01 Multiple Voting Shares (the ratio of one hundred (100) shares of FLRish Series A Common Stock to one Multiple Voting Share is referred to herein as the "Series A Multiple Voting Share Conversion Ratio");

(ii) each share of FLRish Series B Common Stock shall be converted into the right to receive 0.01 Multiple Voting Shares (the ratio of one hundred (100) shares of

FLRish Series B Common Stock to one Multiple Voting Share is referred to herein as the "Series B Multiple Voting Share Conversion Ratio");

(iii) each share of FLRish Series C Common Stock shall be converted into the right to receive 0.01 Multiple Voting Shares (the ratio of one hundred (100) shares of FLRish Series C Common Stock to one Multiple Voting Share is referred to herein as the "Series C Multiple Voting Share Conversion Ratio" and together with the Series A Multiple Voting Share Conversion Ratio and the Series B Multiple Voting Share Conversion Ratio, the "Multiple Voting Share Conversion Ratio");

(iv) each share of FLRish Series D Common Stock shall be converted into the right to receive one (1) Subordinate Voting Shares (the ratio of one (1) share of FLRish Series D Common Stock to one Subordinate Voting Share is referred to herein as the "Subordinate Voting Share Conversion Ratio"; and

(v) each share held by a dissenting shareholder shall be converted into the right to receive payment from the Resulting Issuer with respect thereto in accordance with the provisions of applicable corporate law;

provided, however, that the Multiple Voting Share Conversion Ratio, the Subordinate Voting Share Conversion Ratio and the Lineage Subordinate Voting Share Conversion Ratio shall be equitably adjusted as needed to maintain and preserve "foreign private issuer" status as defined in the U.S. Securities Act, to reflect appropriately the effect of any equity split, reverse equity split, equity dividend (including any dividend or distribution of securities convertible into FLRish shares), cash dividends or distributions, reorganization, recapitalization, reclassification, combination, exchange of equity securities or other like change with respect to FLRish shares occurring on or after the date of the Definitive Agreement but not after the effective time of the Transaction.

The number of Multiple Voting Shares and Subordinate Voting Shares to be issued upon conversion of all of the FLRish shares and all rights to acquire FLRish shares (excluding shares to be issued upon exercise of the CD Warrants or the SR Warrants) are referred to herein as the "**FLRish Merger Consideration**".

At the effective time of Merger and the Transaction, each CD Warrant, each Convertible Debenture Warrant, SR Warrant, option, other warrants, convertible or exchangeable security or other right to purchase or acquire FLRish shares (each, a "**FLRish Derivative Security**") that is outstanding immediately before the effective time, whether vested or unvested, shall, automatically and without any required action on the part of any holder or beneficiary thereof, be assumed by Resulting Issuer and converted into an option, warrant, convertible or exchangeable security or other right, as applicable, to purchase or acquire a number of Subordinate Voting Shares, determined in accordance with the Definitive Agreement, substantially the same terms and conditions as were applicable to such FLRish Derivative Security immediately before the effective time of the Merger and the Transaction (including expiration date, vesting conditions and exercise provisions), except that each FLRish Derivative Security shall become a right to acquire that number of whole Subordinate Voting Shares (rounded down to the nearest whole share) equal to the product of: (i) the number of FLRish shares subject to such FLRish Derivative Security immediately prior to the effective time of the Merger and (ii) the number of Subordinate Voting Shares constituting the FLRish Merger Consideration. No fractional Subordinate Voting Shares or Multiple Voting Shares will be issued by virtue of the Merger or the other transactions contemplated by the Definitive Agreement. Instead, if a holder would otherwise be entitled to a fractional Subordinate Voting Share or Multiple Voting Share (after taking into account all certificates representing FLRish shares delivered by such holder), the aggregate number of Subordinate Voting Shares or Multiple Voting

Shares, as applicable, to be issued will be rounded down to the next whole number and such holder will not be entitled to any compensation in respect of such fraction.

Resulting Issuer Capitalization

Upon the Transaction Closing, the Resulting Issuer will have the following capitalization on a fully-diluted basis, assuming a maximum offering of C$70 million and an issue price of C$7.75 per subscription receipt for the Concurrent Offering:

Designation of Securities	Subordinate Voting Shares (Minimum Offering)	Subordinate Voting Shares (Maximum Offering)	Subordinate Voting Shares (Full Exercise of Over-Allotment Option)
Non-Diluted Subordinate Voting Shares	7,287,121	15,067,765	19,175,185
Total Lineage Convertible Securities (including Special Shares)	3,047,223	3,047,223	3,047,223
Total FLRish Convertible Securities	42,755,150	47,168,053	47,940,311
Total Convertible Securities	45,802,373	50,215,275	50,987,534
Total Fully Diluted Capital	53,089,493	65,283,041	70,162,719

FLRish Proposed Acquisitions

FLRish currently manages and operates two cannabis stores and a cultivation facility for Patient Mutual Assistance Collective Corporation d/b/a PMACC ("**PMACC**") and San Jose Wellness Solutions Corp. d/b/a SJW ("**SJW**"). FLRish also has an option to acquire 100% of the ownership interests in each of PMACC and SJW. FLRish has agreed in the Definitive Agreement to exercise the merger option to acquire PMACC and SJW immediately after the Transaction closing, unless there is material change in the business or operations of either PMACC or SJW including tax liabilities arising from the application of Section 280E of the United States Internal Revenue Code of 1986, as amended, of more than C$38.7 million, as finally determined by the appropriate governmental authority on or prior to the closing of the Transaction. If the Resulting Issuer's board of directors chooses not to exercise the merger options to acquire PMACC and SJW, on or after the Transaction closing, the Resulting Issuer through its affiliates will exercise control over PMACC and SJW through the existing merger option agreements, as well as through other actions taken by FLRish, PMACC and SJW all of which shall be sufficient to effect the Resulting Issuer's control over PMACC and SJW such that on the Transaction closing, the Resulting Issuer may consolidate the financial results of PMACC and SJW.

Proposed Stock Dividend to Lineage Shareholders

Prior to closing of the Transaction, subject to Shareholder approval at the Meeting and prior to the Consolidation taking effect, Lineage expects to file articles of amendment to create a class of unlimited number of special shares (the "**Special Shares**") issuable in three series: Series A special shares (the "**Series A Special Shares**"), Series B special shares (the "**Series B Special Shares**"), and Series C special shares (the "**Series C Special Shares**").

The Special Shares will be non-voting and will not be entitled to receive notice of meeting of shareholders, unless otherwise required by law. The Special Shares will not be entitled to vote as a

separate class, unless otherwise required by law. The Special Shares will not receive any dividend and will not participate in distribution of Lineage's assets in case of dissolution or winding up.

Each Series A Special Share will be automatically converted into one pre-Consolidation Common Share upon the completion of the Transaction and Merger without payment of additional consideration or any further action by the holder. Each Series B Special Share will be automatically converted into one pre-Consolidation Common Share upon the completion of the proposed acquisition of shares of Lucrum Enterprises, Inc. d/b/a LUX (the "**Lux Acquisition**") without payment of additional consideration or any further action from the holder. Each Series C Special Share will be automatically converted into one pre-Consolidation Lineage common share upon the completion of the proposed acquisition of Walnut Oaks, LLC d/b/a Agris Farms (the "**Agris Farms Acquisition**") without payment of additional consideration or any further action from the holder.

Lineage will declare and pay a stock dividend to holders of Lineage common shares as of the record date which is expected to be the business day prior to the closing date of the Transaction, in aggregate (a) 44,775,040 Lineage Series A Special Shares; (b) 11,513,581 Lineage Series B Special Shares; and (c) 14,072,155 Lineage Series C Special Shares.

If after the issuance of the Special Shares, the Common Shares are consolidated in the Consolidation and are reclassified on a post-Consolidation basis as Subordinate Voting Shares, then the number of underlying shares will be adjusted so that 41.818182 Special Shares will be converted into one Subordinate Voting Share.

Unless all of the Special Shares shall have otherwise been converted on or prior to end of business on July 2, 2019 with respect to Series A Special Shares, or 180 days after the Transaction closing with respect to Series B Special Shares and Series C Special Shares, the applicable Special Shares shall be automatically redeemed and shall be deemed to be redeemed without any act by holders, at a redemption price of C$0.000001 per Special Share. All Special Shares redeemed by Lineage will be cancelled.

Transaction Steps

The principal steps of the Transaction pursuant to which a reverse takeover of Lineage by the security holders of FLRish and the listing for trading of the Subordinate Voting Shares of the Resulting Issuer on the CSE will be disclosed in the Listing Statement.

The following principal corporate steps shall occur as part of the Transaction:

Adoption of New By-law

The New By-law will be adopted and implemented upon approval of the Shareholders at the Meeting.

Creation of Lineage Special Shares and Payment of Stock Dividend in Special Shares to Lineage Shareholders

On the Business Day prior to closing of the Transaction, Lineage will file an articles of amendment substantially in the form of Exhibit 1 to this Circular (the "**Stock Dividend Articles of Amendment**") to create the Special Shares, and Lineage will declare and pay a stock dividend in the aggregate of (a) 44,775,040 Series A Special Shares to holders of Lineage Common Shares as of the Business Day prior to closing of the Transaction (the "**Stock Dividend Record Date**"); (b) 11,513,581 Series B Special Shares to holders of Lineage Common Shares as of the Stock Dividend Record Date; and (c) 14,072,155 Series C

Special Shares to holders of Common Shares as of the Stock Dividend Record Date. The rights of the Special Shares are set out in the Stock Dividend Articles of Amendment.

Conversion of FLRish Securities

FLRish has issued and escrowed options to purchase 1,012,583 shares of Series A Common stock at an exercise price of $0.054 per share pending the resolution of a dispute, to be released in accordance with any judgment or released to the holders of rights to Series A Common stock on a pro rata basis.

Immediately prior to the merger of FLRish and Lineage Subco:

(a) the FLRish Convertible Debentures comprising the CD Units will be converted, pursuant to their terms, into shares of FLRish Series B Common Stock.

(b) the issued and outstanding shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock of FLRish will be converted, pursuant to their terms, into shares of FLRish Series B Common Stock.

Completion of Concurrent Offering

Immediately prior to the merger of FLRish and Lineage Subco, FLRish will complete the Concurrent Offering for anticipated gross proceeds of C$10,000,000 to C$70,000,000 (or C$80,500,000 if the Over-Allotment Option is exercised in full), and immediately thereafter, the Subscription Receipts issued pursuant to the Concurrent Offering will be converted into underlying SR Shares and SR Warrants and the escrowed funds will be released from escrow to FLRish.

At the Close of the Transaction

(a) The Parties will cause the merger of FLRish and Lineage Subco to be consummated by filing a Certificate of Merger in the form set out in the Definitive Agreement with the Secretary of State of the State of California in accordance with the relevant provisions of the Applicable Business Laws.

(b) Lineage will file an amendment to its certificate of incorporation with the Director under the OBCA to effect the Consolidation, the Name Change and the Lineage share reorganization. Each Common Share outstanding immediately before the filing of the Merger Articles of Amendment shall be consolidated upon the Consolidation taking effect and on a post-Consolidation basis, be re-classified as a Subordinate Voting Share, and the Multiple Voting Shares will be created.

(c) Lineage will adopt the Resulting Issuer Equity Incentive Plan with the same rights and terms as the Resulting Issuer Equity Incentive Plan adopted by Shareholders at the Meeting and any equity incentives granted under the option plans of Lineage or FLRish, as applicable, shall be substituted for equivalent securities under the Resulting Issuer Equity Incentive Plan. The equity incentive securities under the Resulting Issuer Equity Incentive Plan will entitle the holders to acquire Subordinate Voting Shares.

(d) Subject to the terms and conditions of the Definitive Agreement, (i) each share of FLRish Series A Common Stock shall be exchanged with 1/100 of a Multiple Voting Share, (ii) each share of FLRish Series B Common Stock shall be shall be exchanged with 1/100 Multiple Voting Shares, (iii) each share of FLRish Series C Common Stock shall be

exchanged with 1/100 Multiple Voting Shares; (iv) each share of FLRish Series D Common Stock (being the SR Shares) shall be exchanged with 1 Subordinate Voting Shares; and (v) each Dissenting Share shall be converted into the right to receive payment from the Resulting Issuer with respect thereto in accordance with the provisions of the State of California Corporations Code.

(e) Each FLRish CD Warrant, SR Warrant, option, other warrant, convertible or exchangeable security or other right to purchase or acquire FLRish Shares, to the extent not exercised or converted at the time of closing of the Transaction that are outstanding immediately before close of the Transaction, whether vested or unvested, will, automatically and without any required action on the part of any holder or beneficiary thereof, become exercisable for the kind and number of securities or property that the holder of the convertible securities would have been entitled to receive on the date of closing of Transaction, if, on the record date or the effective date thereof, as the case may be, the holder of such convertible security had been the registered holder of the number of such FLRish Shares issuable upon the exercise of the applicable convertible security then held, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in such convertible security. To the extent the Resulting Issuer elects to do so, the convertible securities may be assumed by Resulting Issuer and be replaced by Resulting Issuer convertible securities exercisable or convertible into an option, warrant, convertible or exchangeable security or other right, as applicable, to purchase or acquire a number of Subordinate Voting Shares or Multiple Voting Shares, as applicable.

(f) By virtue of the closing of the Transaction, and without any action on the part of Lineage, Lineage Subco or FLRish, FLRish Shares will be exchanged for Multiple Voting Shares and Subordinate Voting Shares, with FLRish to continue as the surviving corporation and a wholly-owned subsidiary of the Resulting Issuer.

(g) Immediately after the closing of the Transaction, the 44,775,040 Series A Special Shares of Lineage will be automatically converted into a total of approximately 1,070,707 Subordinate Voting Shares.

(h) Immediately after the closing of the Transaction, FMICA will be issued a number of Subordinate Voting Shares at C$6.90 per share in accordance with the terms of the restated fee agreement among the Corporation FLRish, FMICA, FMI, Adam Szweras, Peter Bilodeau, Branson Corporate Services Inc., Brandon Ltd. and Foundation Financial Holdings Corp. dated February 6, 2019 in satisfaction of the advisory fee for the Transaction. Please see Item 20 – *Interest of Management and Other Material Transactions - Restated Fee Agreement* in the Listing Statement for further details regarding fees payable to FMICA by the Resulting Issuer related to the Transaction.

(i) Upon completion of the Transaction, the directors of the Resulting Issuer are expected to be those seven individuals nominated for election at the Meeting.

(j) Upon completion of the Transaction, the Resulting Issuer’s Rights Plan will take effect.

THE STEPS DESCRIBED ABOVE WILL ONLY BE IMPLEMENTED IN THE EVENT THAT ALL CONDITIONS TO THE TRANSACTION ARE SATISFIED OR WAIVED (OTHER THAN THE NEW BY-LAW RESOLUTION AND BOARD SIZE AUTHORIZATION RESOLUTION).

Procedure for Exchange of Common Shares following the Transaction

Lineage Letter of Transmittal

At the time of sending this Circular to each Lineage Shareholder, Lineage is also sending the Lineage Letter of Transmittal to each Registered Shareholder. The Lineage Letter of Transmittal is only for use by Registered Shareholders and is not to be used by Beneficial Shareholders. Beneficial Shareholders should contact their Intermediary for instructions and assistance in delivering share certificates representing those Common Shares.

Odyssey Trust Company is acting as the depositary (the "**Depositary**") in connection with the Transaction. The Depositary will receive deposits of existing Common Shares and an accompanying Lineage Letter of Transmittal, at the office specified in the Lineage Letter of Transmittal and will be responsible for delivering, following the consummation of the Transaction, certificates representing Subordinate Voting Shares to which Registered Shareholders are entitled under the Transaction.

The Lineage Letter of Transmittal contains instructions on how to surrender share certificate(s) representing Common Shares to the Depositary. Registered Lineage Shareholders can request additional copies of the Lineage Letter of Transmittal by contacting the Depositary. The Lineage Letter of Transmittal will also be available under Lineage's profile on SEDAR at www.sedar.com.

Exchange Procedures

Registered Shareholders are requested to tender to the Depositary any share certificates representing existing Common Shares along with the duly completed Lineage Letter of Transmittal and all other required documents as soon as possible. As soon as practicable following the closing date of the Transaction, the Depositary will forward to each Registered Shareholder who has sent the required documents a new share certificate representing the Subordinate Voting Shares to which the Registered Shareholder is entitled in connection with the Transaction. Until surrendered, each share certificate representing Common Shares will be deemed for all purposes to represent the number of whole Subordinate Voting Shares to which the Registered Shareholder is entitled in connection with the Transaction. Registered Shareholders should not destroy any share certificates. The method of delivery of share certificates representing Common Shares and the duly completed Lineage Letter of Transmittal and all other required documents will be at the option and risk of the person surrendering them. It is recommended that such documents be delivered by hand to the Depositary, at the address noted in the Lineage Letter of Transmittal, and a receipt obtained therefore, or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

No new share certificates will be issued to a Registered Shareholder until such Registered Shareholder has surrendered the corresponding existing share certificates, together with a properly completed and executed Lineage Letter of Transmittal, to the Depositary. Registered Shareholders will need to surrender their existing share certificates before they will be able to sell or transfer their Common Shares following completion of the Transaction.

If the Transaction is implemented, Intermediaries will be instructed to process the Transaction for Beneficial Shareholders holding Common Shares indirectly. However, such Intermediaries may have different procedures than Registered Shareholders for processing the Transaction. If you hold your

Common Shares through an Intermediary and if you have any questions in this regard, you are encouraged to contact your Intermediary.

Treatment of Fractional Shares

In no event shall any Shareholder be entitled to a fractional Subordinate Voting Share. Where the aggregate number of Subordinate Voting Shares to be issued to a Shareholder under the Transaction would result in a fraction of a Subordinate Voting Share being issuable, the fractional Subordinate Voting Share will be cancelled for no consideration.

Lost Certificates

If a share certificate representing Common Shares has been lost, stolen or destroyed, the Lineage Letter of Transmittal should be completed as fully as possible and forwarded by the Registered Shareholder to the Depositary together with correspondence stating that the original share certificate representing the Common Shares has been lost, stolen or destroyed, as applicable. The Depositary will respond with replacement instructions (which may include a bonding requirement).

Benefits of the Transaction

The Board believes that the Transaction will have the following benefits for the Shareholders:

(i) the Corporation will acquire an economic interest in the business of FLRish and the funds raised by FLRish pursuant to prior equity financings and the Concurrent Offering;

(ii) Shareholders will be in a position to participate in future value creation and growth opportunities in the business of the Resulting Issuer;

(iii) the proposed management team and nominees to the board of the Resulting Issuer have extensive experience in the cannabis industry in the United States and have been responsible for substantial stakeholder value creation and have demonstrated capabilities in financing, acquiring, and developing assets;

(iv) the FLRish management team and nominees to the Board have high visibility in the cannabis industry and investment community, and significant relationships with key sector investors and analysts that should help to attract strong retail and institutional support;

(v) the Corporation will initially have significant cannabis cultivation, production and retail assets in California and Oregon, with California being the largest cannabis market in the United States; and

(vi) the Corporation is expected to have increased share trading liquidity and will have a greater market capitalization that is attractive to a wider range of investors than that offered by Lineage prior to the Transaction.

Recommendation of the Lineage Board

The Board has unanimously approved the Definitive Agreement and, after receiving legal and financial advice, unanimously recommends that the Lineage Shareholders vote IN FAVOUR of the Lineage Resolutions at the Meeting.

In approving the Definitive Agreement and recommending that the Lineage Shareholders vote in favour of the Lineage Resolutions, the Lineage Board considered, among other things, the expected benefits of the Transaction as well as the following factors:

(i) information provided by FLRish with respect to the FLRish's business;

(ii) information provided by FLRish with respect to the financial condition of FLRish;

(iii) the anticipated size and market liquidity of the Resulting Issuer following completion of the Transaction; and

(iv) the expected value of the outstanding Subordinate Voting Shares (based on the Concurrent Offering Price) on a fully diluted basis.

The Board also considered a variety of risks and other potentially negative factors relating to the Transaction, including those matters described under the heading "*Risk Factors Relating To The Transaction*" in the Listing Statement. The Board believed that, overall, the anticipated benefits of the Transaction to Lineage outweighed these risks and negative factors.

Each director and senior officer of Lineage intends to vote all of its Common Shares in favour of the Lineage Resolutions at the Meeting, and against any resolution submitted by any Lineage Shareholder that is inconsistent with the Lineage Resolutions.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes the material information and factors considered by the Board in their consideration of the Transaction. In view of the variety of factors and the amount of information considered in connection with the Board's evaluation of the Transaction, the Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. In addition, individual members of the Board may have assigned different weights to different factors in reaching their own conclusion as to the benefits of the Transaction.

PARTICULARS OF MATTERS TO BE ACTED UPON

I. Stock Dividend Amendment Resolution

Prior to closing of the Transaction, Lineage expects to file the Stock Dividend Articles of Amendment to create a class of unlimited number of special shares issuable in series, with up to 45,000,000 special shares designated as Series A Special Shares, up to 12,000,000 special shares designated as Series B Special Shares, and up to 15,000,000 special shares designated as Series C Special Shares. The draft Stock Dividend Articles of Amendment are attached as Exhibit 1 to this Circular.

Prior to closing of the Transaction, Lineage expects to declare and pay a stock dividend to the holders of the Lineage Common Shares prior to closing in Special Shares.

Summary of the Provisions of the Special Shares

The Special Shares will be non-voting and will not be entitled to receive notice of meeting of shareholders, unless otherwise required by law. The Special Shares will not be entitled to vote as a separate class, unless otherwise required by law.

The Special Shares will not receive any dividend, and will not participate in distribution of Lineage's assets in case of dissolution or winding up.

Each Series A Special Share will be automatically converted into one Common Share upon the completion of the Transaction without payment of additional consideration or any further action from the holder. Each Series B Special Share will be automatically converted into one Common Share upon the completion of the LUX Acquisition without payment of additional consideration or any further action from the holder. Each Series C Special Share will be automatically converted into one Common Share upon the completion of the Agris Farms Acquisition without payment of additional consideration or any further action from the holder. If the Resulting Issuer terminates Agris Farms Acquisition or the LUX Acquisition for reasons other than (i) the failure to receive regulatory approval for the applicable acquisition prior to six (6) months from closing of the Transaction; or (ii) the discovery of an undisclosed Material Adverse Effect (as defined in the Definitive Agreement) of at least ten percent (10%) of the total applicable purchase price for the applicable acquisition (which, with respect to the LUX Acquisition, shall not include the potential litigation of LUX with respect to litigation titled White Wolf Farms v. American Redstone, Yolo County Superior Court Case No. CV18-848 and any associated matters), then the Series B Special Shares with respect to the LUX Acquisition and Series C Special Shares with respect to the Agris Farms Acquisition shall automatically be converted into Subordinate Voting Shares on the date of the termination of the applicable acquisition.

If after the issuance of the Special Shares, the Common Shares are consolidated in the Consolidation and are reclassified on a post-Consolidation basis as Subordinate Voting Shares, then the number of underlying shares will be adjusted so that 41.818182 Special Shares will be converted into one Subordinate Voting Share.

The following table sets out the expected number of Special Shares to be issued as stock dividend prior to closing of the Transaction both before and after the Consolidation.

Stock Dividend	**Aggregate Special Shares (Before Consolidation)**	**Aggregate Underlying Shares (Post-Consolidation)**
Series A Special Shares	44,775,040	1,070,707
Series B Special Shares	11,513,581	275,325
Series C Special Shares	14,072,155	336,508
Total	**70,360,776**	**1,682,540**

Unless all of the Special Shares shall have otherwise been converted on or prior to the following dates:

(a) with respect to Series A Special Shares, end of business on July 2, 2019**;**
(b) with respect to Series B Special Shares, six (6) months from closing of the Transaction;
(c) with respect to Series C Special Shares, six (6) months from closing of the Transaction.

the applicable Special Shares shall, on the first business day following the applicable date, be automatically redeemed and shall be deemed to be redeemed without any action by holders, at a

redemption price of C$0.000001 per Special Share. All Special Shares redeemed by Lineage will be cancelled. Lineage will pay the redemption price by cheques provided the price to a holder is C$1.00 or more.

Shareholder Approval of the Stock Dividend Amendment Resolution

To be effective, the Stock Dividend Amendment Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

It is a condition precedent to the completion of the Transaction that the Shareholders approve the Stock Dividend Amendment Resolution. If the Stock Dividend Amendment Resolution does not receive the requisite approval, the Transaction will not proceed, unless such condition precedent is waived by Lineage. The text of the Stock Dividend Amendment Resolution is set out in below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles incorporation of Lineage Grow Company Ltd. ("**Lineage**") shall be amended to create a new class of special shares without par value designated in series (the "**Stock Dividend Amendments**");

2. articles of amendment amending the articles of the Corporation to reflect the effect of this special resolution and the Stock Dividend Amendments be filed by or on behalf of Lineage;

3. the articles of Lineage be amended by creating an additional class of special shares issuable in series, which shall have attached thereto the rights, privileges, restrictions and conditions set out in the draft articles of amendment attached to the management information circular of Lineage dated April 9, 2019 (the "**Circular**") as Exhibit 1, so that the authorized capital of the Corporation shall consist of an unlimited number of Common Shares, and an unlimited number of Special Shares issuable in series, the first series of which consists of up to 45,000,000 Special Shares which shall be designated as Series A Special Shares, the second series of which consists of up to 12,000,000 Special Shares which shall be designated as Series B Special Shares, and the third series of which consists of up to 15,000,000 Special Shares which shall be designated as Series C Special Shares, with the rights, privileges, restrictions and conditions of the Series A Special Shares, Series B Special Shares and Series C Special Shares set out in Exhibit 1 to the Circular;

4. notwithstanding the approval of this special resolution by the Shareholders, the Board of Directors of Lineage may, without any further notice or approval of the Shareholders, decide not to proceed with the Stock Dividend Amendments; and

5. any one or more of the directors or officers of Lineage is hereby authorized and directed, acting for, in the name of and on behalf of Lineage, to execute or cause to be executed, under the seal of Lineage or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of Lineage be necessary or desirable to carry out the intent of the foregoing resolution (including, without limitation, the execution and filing of such notice of alteration, amended and restated articles, applications and of certificates or other assurances that the Stock Dividend Amendments will not adversely affect creditors or shareholders of Lineage), the execution of any such document or the doing of any such other act or thing by any director or officer of Lineage being conclusive evidence of such determination."

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Shares represented by such form of Proxy FOR the Stock Dividend Amendment Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Stock Dividend Amendment Resolution.

The Board unanimously recommends that Shareholders vote FOR the Stock Dividend Amendment Resolution at the Meeting.

II. Merger Amendment Resolution

The Amendment Resolution approves the Transaction and proposes certain amendments to the Articles of the Corporation (the "**Merger Articles of Amendment**") in connection with the Transaction, to (a) consolidate its outstanding Common Shares, (ii) amend the rights and restrictions of the existing class of Common Shares and redesignate such class on a post-Consolidation basis as Subordinate Voting Shares, and to create a new class of shares designated as Multiple Voting Shares; and (c) to change the name of the Corporation. The draft Merger Articles of Amendment are set out as Exhibit 2 to this Circular.

(a) The Consolidation

In order to align the value of the currently issued 76 million Common Shares more closely to the price per Common Share at which the Transaction will be completed, the Corporation proposes that, subject to obtaining all required regulatory and shareholder approvals, immediately prior to the completion of the Transaction, to complete the Consolidation whereby the Corporation's issued and outstanding 75,997,868 Common Shares will be consolidated on a 42.1818182 basis with one Post-Consolidation Share for every 42.1818182 common shares outstanding prior to the Consolidation. The Consolidation is a condition precedent for completion of the Transaction.

If approved and implemented, the Consolidation will affect all holders of Common Shares uniformly and will not affect any Shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in any Shareholder owning a fractional Common Share. No fractional Common Shares of the Corporation will be issued if, as a result of the Consolidation, a registered shareholder would otherwise be entitled to a fractional share. Instead, the Corporation will round any fractional shares resulting from the Consolidation down to the nearest whole share without any further consideration.

If the Consolidation is approved by the requisite number of shareholders at the Meeting and receives the necessary regulatory approvals, and if the directors do not revoke the Consolidation Resolution before it is acted upon, then upon the filing of the articles of amendment to implement the Consolidation, the Common Shares will be consolidated into Post-Consolidation shares as described in this Circular.

In accordance with the rules of the CSE, replacement shares will be issued. The Corporation will have sent as part of the Notice Package for this Meeting the Lineage Letter of Transmittal to holders of Common Shares for use in delivering their pre-Consolidation common share certificates to the Corporation's transfer agent, Odyssey. As soon as practicable after the Consolidation has been effected, the Corporation will provide by press release a notice to its shareholders to submit their Lineage Letter of Transmittal and tender their certificates for Common Shares. Tendered certificates will be exchanged for new certificates representing the appropriate number of Subordinate Voting Shares to which a shareholder is entitled following the Consolidation.

The Multiple Voting Shares are being proposed in order to minimize the proportion of the outstanding voting securities of the Corporation that are held by "U.S. persons" for purposes of determining whether the Corporation is a "foreign private issuer" for purposes of United States securities laws.

In the event that a take-over bid is made for the Multiple Voting Shares, the holders of Subordinate Voting Shares shall be entitled to participate in such offer and may tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement. In the event that a take-over bid is made for the Subordinate Voting Shares, the holders of Multiple Voting Shares shall be entitled to participate in such offer and may tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement.

(b) Name Change

On completion of the Transaction, the business of the Corporation will, through its subsidiaries, be the business carried on by FLRish. In connection therewith, the Corporation intends to change its name to "Harborside, Inc.", or such other name approved by the directors of the Corporation and Harborside, Inc. and acceptable to the CSE or such other stock exchange to which the Corporation applies for a listing, and the Registrar of Corporations for the Province of Ontario (the "**Name Change**"). Shareholder approval of the Name Change is a condition precedent for completion of the Transaction. Management believes that the Name Change is in the best interests of the Corporation in order to reflect the change in its business activities.

The shareholders of the Corporation are being asked at the Meeting, subject to the closing of the Transaction, for approval of a special resolution to effect the Name Change, which special resolution is included in the Merger Amendment Resolution.

Shareholder Approval of Merger Amendment Resolution

To be effective, the Merger Amendment Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. In addition, the Merger Amendment Resolution will be used to approve a "restricted security reorganization" pursuant to National Instrument 41-101 *General Prospectus Requirements* and Ontario Securities Commission Rule 56-501 *Restricted Shares* (the "**Restricted Share Rules**"). The Restricted Share Rules require that a restricted security reorganization receive prior majority approval of the securityholders of the Corporation in accordance with applicable law, excluding any votes attaching to securities held, directly or indirectly, by affiliates of the Corporation or control persons of the Corporation.

The Subordinate Voting Shares would constitute "restricted shares" as defined by the Restricted Share Rules. Accordingly, the Merger Amendment Resolution will be used to approve a "restricted security reorganization" pursuant to the Restricted Share Rules, which requires that a restricted security reorganization receive prior majority approval of the securityholders of Lineage in accordance with applicable law, excluding any votes attaching to securities held, directly or indirectly, by affiliates of Lineage or control persons of Lineage. To the knowledge of management of Lineage, no Lineage shareholder is an affiliate or a control person of Lineage. However, Lineage has requested that its directors and officers, FMICA and FMI refrain from voting their Common Shares on this special resolution. Directors and officers of Lineage beneficially own, directly or indirectly, or exercise control or direction over, a total of 6,920,862 Common Shares as indicated in Item 13 – Directors and Officers – Directors and Officers of Lineage. FMICA and FMI beneficially own, directly or indirectly, or exercise control or direction over, a total of 1,719,013 Lineage Common Shares. Therefore, a total of 8,639,862

Lineage Common Shares will be excluded from voting on the Merger Amendment Resolution. The use of the Subordinate Voting Shares in the Transaction is for the purpose of allowing the Resulting Issuer to maintain its status as a "foreign private issuer" as determined in accordance with Rule 3b-4 under the Exchange Act.

It is a condition precedent to the completion of the Transaction that the Shareholders approve the Merger Amendment Resolution. If the Merger Amendment Resolution does not receive the requisite approval, the Transaction will not proceed, unless such condition precedent is waived by FLRish. The text of the Merger Amendment Resolution is set out in below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles incorporation of Lineage Grow Company Ltd. ("**Lineage**") shall be amended to (i) consolidate its outstanding Common Shares; (ii) amend the rights and restrictions of the existing class of Common Shares without par value and to redesignate such class on a post-consolidation basis as "Subordinate Voting Shares" such that such Subordinate Voting Shares have the special rights and restrictions set out in Exhibit 2 to the management information circular of the Corporation dated April 9, 2018 (the "**Circular**"), and to create a new class of Multiple Voting Shares without par value having the special rights and restrictions set out in the Exhibit 2 to the Circular; and (iii) to change the Corporation's name (collectively, the "**Merger Amendments**");

2. articles of amendment amending the articles of the Corporation to reflect the effect of this special resolution and the Merger Amendments be filed by or on behalf of Lineage;

3. the articles of Lineage be amended by:

    a. immediately prior to the closing of the Transaction (as defined in the Circular), the Corporation is hereby authorized and directed to amend its articles as follows:

        (1) to change each issued and outstanding 41.818182 common shares of the Corporation into one (1) issued and outstanding common share of the Corporation;

        (2) if the consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued but rather the number of shares registered in the name of the shareholder shall be rounded down to the nearest whole share without any payment or other compensation being made to any shareholder in respect thereof;

    b. creating a new part being the special rights and restrictions of the Subordinate Voting Shares, having the text set out in Exhibit 2 to the Circular; and redesignating all outstanding Common Shares on a post-consolidation basis as Subordinate Voting Shares

    c. creating a new part being the special rights and restrictions of the Multiple Voting Shares, having the text in Exhibit 2 to the Circular;

    d. changing the Corporation's name to "Harborside, Inc." or such other name as FLRish and the Corporation may approve and acceptable to the regulatory authorities,

    such Merger Amendments to the articles taking effect upon the filing of the articles of amendment contemplated by this special resolution;

4. notwithstanding the approval of this special resolution by the Shareholders, the Board of Directors of Lineage may, without any further notice or approval of the Shareholders, decide not to proceed with the Merger Amendments;

5. the proposed business combination between, inter alia, Lineage and FLRish pursuant to which, among other things, the security holders of FLRish will complete a reverse take-over of Lineage, as more particularly described in the Definitive Agreement and under the heading "The Transaction" in the Circular, is hereby authorized and approved; and

6. any one or more of the directors or officers of Lineage is hereby authorized and directed, acting for, in the name of and on behalf of Lineage, to execute or cause to be executed, under the seal of Lineage or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of Lineage be necessary or desirable to carry out the intent of the foregoing resolution (including, without limitation, the execution and filing of such notice of alteration, amended and restated articles, applications and of certificates or other assurances that the Merger Amendments will not adversely affect creditors or shareholders of Lineage), the execution of any such document or the doing of any such other act or thing by any director or officer of Lineage being conclusive evidence of such determination."

THE MERGER AMENDMENT RESOLUTION WILL ONLY BE IMPLEMENTED IN THE EVENT THAT ALL CONDITIONS TO THE TRANSACTION ARE SATISFIED OR WAIVED (OTHER THAN THE MERGER AMENDMENTS AND OTHER THAN CONDITIONS THAT MAY BE OR ARE INTENDED TO BE SATISFIED ONLY AFTER THE MERGER AMENDMENTS ARE COMPLETED).

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Shares represented by such form of Proxy FOR the Merger Amendment Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Merger Amendment Resolution.

The Board unanimously recommends that Shareholders vote FOR the Merger Amendment Resolution at the Meeting.

III. Resulting Issuer Board Number Resolution

At the Meeting, Shareholders will be asked to approve the following special resolution setting the number of directors of the Resulting Issuer Board on completion of the Transaction at seven (7) directors (the "**Resulting Issuer Board Number Resolution**"):

> "BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT the number of directors of the Corporation within the minimum and maximum numbers of directors provided for in the articles of the Corporation to be elected effective upon completion of the reverse take-over transaction between the Corporation and FLRish, Inc. is determined to be seven (7)."

The Resulting Issuer Board Number Resolution is by its terms conditional and effective only upon the completion of the Transaction. It is a condition precedent to the completion of the Transaction that the Shareholders approve the Resulting Issuer Board Number Resolution. If the Resulting Issuer Board Number Resolution does not receive the requisite approval, the Transaction will not proceed, unless such condition precedent is waived by FLRish.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Shares represented by such form of Proxy FOR the Resulting Issuer Board Number Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Board Number Resolution.

The Board unanimously recommends that Shareholders vote FOR Resulting Issuer Board Number Resolution at the Meeting.

IV. Board Size Authorizing Resolution

Under the OBCA the number of directors of a corporation is the number set out in its articles. Where a minimum and maximum number of directors is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders is the number determined from time to time by special resolution of the shareholders, or if the special resolution empowers the directors to determine the number, by resolution of the directors. Where such a special resolution so empowers the directors to determine the number of directors within the minimum and maximum number of directors provided for in the articles, the directors may appoint one or more additional directors if, after such appointment, the total number of directors would not then be greater than one and one-third times the number of directors required to have been elected at the annual meeting of shareholders.

At the Meeting, shareholders will be asked to approve a special resolution empowering the directors to determine the number of directors of the Corporation within the minimum and maximum number provided for in the articles of the Corporation and to appoint additional directors in accordance with the provisions of the OBCA (the "**Board Size Authorizing Resolution**"), the text of which is as follows:

"BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. the directors of the Corporation are hereby empowered to determine from time to time the number of directors of the Corporation, subject to the limitations established by the articles of the Corporation and the provisions of the *Business Corporations Act* (Ontario); and

2. any director or officer of the Corporation be and he or she is hereby authorized and directed, on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy <u>FOR</u> the Board Size Authorizing Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Board Size Authorizing Resolution.

The Board unanimously recommends that Shareholders vote FOR the Board Size Authorizing Resolution at the Meeting.

V. Resulting Issuer Director Election Resolution

At the Meeting, the Shareholders will be asked to elect, conditional and effective only upon the completion of the Transaction, Peter Bilodeau, Matthew K. Hawkins, Andrew Berman, Tracy Geldert, Adam Szweras, Sherri Altshuler and Nayir Munoz (collectively, the "**Board Nominees**") as directors of the Corporation.

Management of the Corporation does not contemplate that any of the Board Nominees will be unable to serve as a director upon the completion of the Transaction. It is a condition precedent to the completion of the Transaction that the Shareholders approve the Resulting Issuer Director Election Resolution. If the Resulting Issuer Director Election Resolution does not receive the requisite approval, the Transaction will not proceed, unless such condition precedent is waived by FLRish.

THE RESULTING ISSUER DIRECTOR ELECTION RESOLUTION WILL ONLY BE EFFECTIVE IN THE EVENT THAT THE TRANSACTION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Shares represented by such form of Proxy FOR the Resulting Issuer Director Election Resolution. If you do not specify how you want your Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Director Election Resolution.

The Board unanimously recommends that Shareholders vote FOR the Resulting Issuer Director Election Resolution at the Meeting.

See below for detailed information concerning the Board Nominees.

Board Nominees

The following table lists the names, municipalities of residence of the proposed directors of the Resulting Issuer, their positions and offices to be held with the Resulting Issuer, and their principal occupations during the past five (5) years and the number of securities of the Resulting Issuer that are expected to be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each.

Name, State and Country of Residence and Proposed Position with the Resulting Issuer	Principal Occupation for the Past Five Years	Subordinated Voting Shares Beneficially Owned or Controlled (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Minimum Offering (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Maximum Offering (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Maximum Offering with full exercise of Over-Allotment Option (Fully-Diluted)
Andrew Berman[3] Mill Valley, California, USA *Director, President and Chief Executive Officer*	Executive	750,546	1.43%	1.19%	1.15%
Peter Bilodeau[2], [3]* Windsor, Ontario, Canada *Non-Executive Chairman*	President and CEO of the Corporation from October 1, 2015 until April 24, 2017. Reappointed as President	39,596	0.08%	0.06%	0.06%

Name, State and Country of Residence and Proposed Position with the Resulting Issuer	Principal Occupation for the Past Five Years	Subordinated Voting Shares Beneficially Owned or Controlled (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Minimum Offering (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Maximum Offering (Fully-Diluted)	Percentage of Issued and Outstanding Subordinate Voting Shares Assuming Maximum Offering with full exercise of Over-Allotment Option (Fully-Diluted)
	and CEO on April 9, 2018 to present. President of Wingold Energy Corp. from March 2017 to present. President of FMICA from April 2017 to present. CEO of FMI from May 2017 to present. President of Quinsam from December 2017 to present.				
Adam Szweras[(1)] Toronto, Ontario, Canada *Director*	Chairman, Foundation Markets Inc., Partner, Fogler, Rubinoff LLP	68,932	0.13%	0.11%	0.11%
Matthew K. Hawkins[(1)*(2)] Dallas, Texas, USA *Director*	Investment Manager	1,566,541	2.98%	2.48%	2.41%
Tracy Geldert[(1), (2)*] Sonoma, California, USA *Director*	Retail Executive	44,000	0.08%	0.07%	0.07%
Sherri Altshuler[(3)] Toronto, Ontario, Canada *Director*	Partner, Aird & Berlis LLP	0	0.00%	0.00%	0.00%
Nayir Felix Munoz Castro Valley, California, USA *Director*	Human Resources Executive	400,000	0.76%	0.63%	0.62%

Notes:

(1) Proposed member of the audit committee.
(2) Proposed member of the compensation committee.
(3) Proposed member of the governance and nominating committee.
* Denotes committee chair.

All of the directors of the Resulting Issuer will be appointed to hold office until the next annual general meeting of shareholders or until their successors are duly elected or appointed, unless their office is earlier vacated.

Upon completion of the Transaction, all promoters, directors, officers and Insiders, as a group, will beneficially own, directly or indirectly, the following shares of the Resulting Issuer: (i) on a non-diluted basis, 1,123,593 Subordinate Voting Shares, representing 12.6% (Minimum Offering); 7.35% (Maximum Offering; or 6.86% (Maximum Offering with full exercise of the Over-Allotment Option); and (ii) on a fully-diluted basis, 21,743,624 Subordinate Voting Shares, representing 30.59% (Minimum Offering); 25.47% (Maximum Offering); or 24.74% (Maximum Offering with full exercise of the Over-Allotment Option).

Brief descriptions of the biographies for all of the proposed directors of the Resulting Issuer are set out below:

Andrew Berman, Director, President and Chief Executive Officer – 59: Andrew Berman is a versatile executive with a unique background and skill set. Mr. Berman has a B.A. from the University of Michigan and a J.D. from the University of Miami School of Law. He clerked for two federal judges and practiced law for eleven years in San Francisco before joining the Business Affairs group at America Online. After AOL, Mr. Berman became CEO of AirLink Communications, Inc., an early-stage wireless data company located in Hayward whose success culminated with a merger into Sierra Wireless, Inc. Staying aboard as the publicly traded company's Senior Vice President & General Manager, Berman led all facets of Sierra Wireless's AirLink business unit, including its North American growth and international market expansion. Berman then joined Cricket Media, Inc., a public company in the education media sector, as Chief of Staff to the CEO. Most recently, Mr. Berman was an Entrepreneur in Residence at ZG Ventures, LLC, a prominent venture capital firm based in Washington, DC. Mr. Berman also has extensive experience in local government relations and community building, having served on the Mill Valley City Council and as Mayor and Vice Mayor of Mill Valley. His public service also includes serving as Chair of the Marin County Telecommunications Agency, on local Planning Commissions and on County Emergency Medical Boards, through which he developed expertise in land-use and public safety issues at the local level.

Peter Bilodeau, Non-Executive Chairman – 59: Peter Bilodeau has been the Chief Executive Officer of FMI from May 2017, and President of FMICA since April 2017. Since December 2017, Mr. Bilodeau has served as a director of Quinsam. Mr. Bilodeau also currently serves as the Chief Executive Officer and as a director of Lineage. Mr. Bilodeau has also been the President of Wingold Energy Corp. since March 2017. Mr. Bilodeau has numerous business interests in various sectors, including oil and gas, corporate finance, real estate investments, management and financial consulting, the retail sign business, and the alternative financial services. Prior to launching his entrepreneurial career, Mr. Bilodeau worked for one of Canada's major chartered banks quickly advancing to the senior management ranks. He is a former real estate appraiser with extensive experience in real property valuation. Mr. Bilodeau has an MBA with a specialty in Financial Services, from Dalhousie University, Halifax, Nova Scotia, Canada.

Adam Szweras, Director – 48: Adam Szweras, is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of FMI. His law and banking practices focuses on financings and going public transactions. Mr. Szweras represents several mid-market public companies and assists companies in listing on Canadian exchanges. He also represents brokerage firms as legal counsel and has helped numerous clients with their M&A and cross border transactions. He is a director of several public companies including Aurora Cannabis Inc. and is co-Chair of the board of directors of NHII.

Matt Hawkins, Director – 49: Matt Hawkins is the founder and managing principal of Cresco Capital Partners, LLC ("**Cresco**"), a private equity firm focused specifically on investing in the legalized cannabis industry. Since its inception in the summer of 2015, Cresco has made 15 investments out of its first fund and is currently raising this fund, Fund II, and 6 investments have been made to date from it. Collectively, as of the fall of 2018, over $40 million has been deployed in the cannabis industry by

Cresco and affiliates since 2015. Prior to the founding of Cresco, he was a partner and President of a private real estate investment company which acquired REO and NPL from banks and financial institutions across the country, with particular interest in multifamily residential and self-storage assets. The Corporation completed more than 55 bank-direct acquisitions, deploying over $500 million of capital since Q4 2008. In 2013 alone, the Corporation bought close to 10,000 Class B and Class C value-add multifamily units across the Sunbelt of the United States. At the end of 2013, Matt and his partners sold their interest. Prior to this, Matt was a Principal/ Co-founder of San Jacinto Partners, a fund focused on the bulk acquisition of single family residential assets and the Managing General Partner of Adjacent Capital, L.P., a private equity/specialty lending fund. He was earlier affiliated with Treadstone Partners, L.L.C., a distressed debt and equity fund. He has an extensive background in both turnaround management and private equity. Prior to joining Treadstone and forming Adjacent Capital and San Jacinto Partners, was associated with Hull & Associates, a regional turnaround management firm. Matt is a graduate of The University of Texas at Austin.

Tracy Geldert, Director – 51: Tracy is currently Chief Operator for London-based Ten Group which provides lifestyle management and concierge services for a multitude of businesses focused on the mass affluent. Tracy joined Ten to lead the rapid development of the Americas - to realize the potential, raise the bar for service and to bring the region to a self-sustaining financial position. The region has demonstrated success in securing multiple blue chip contracts and last year completed its IPO listing on LSE. Before Ten Group, Tracy was in multiple senior executive roles for Francis Ford Coppola Presents including COO and CEO where she was responsible for growing the business to over 500 employees and for developing a highly profitable business over a ten-year period. The Coppola business portfolio included wineries, restaurants, and resorts. Prior to joining Coppola Tracy spent 13 years with Gap, Inc., including implementing brand strategy across 16 states and managing territories up to $400million in annual store sales. She participated in the launches of new businesses including babyGap, GapBody and GapMaternity. She emerged as a key player joining the corporate global marketing team where she helped to oversee implementation of the store experience for 1800 Gap brand stores throughout the U.S., Canada, Europe and Japan.

Nayir Felix Munoz, Director – 41: Nayir is an HR professional with twelve years in the cannabis industry, fifteen years of management experience, and 22 years of retail experience. Over the last twelve years she has worked on the forefront of the cannabis industry with California-based FLRish, a leader in the industry. With FLRish she worked to create an unmatched cannabis consumer experience and developed one of the most highly regarded cannabis teams in the industry. Her most recent position was Chief Administrative Officer for FLRish. Prior to FLRish, Ms. Munoz worked for Nordstrom for twelve years in sales, training, and information systems management. Ms. Munoz holds a Bachelor's of Science degree in Business Administration, with an emphasis in Computer Information Systems from San Francisco State University. In 2011, she earned her Professional in Human Resources (PHR) Certification.

Sherri Altshuler, Director – 42: Sherri Altshuler is a partner at Aird & Berlis LLP and a member of the firm's Capital Markets, Corporate/Commercial and Cannabis Groups. Ms. Altshuler's practice focuses on public and private financings, go-public transactions (initial public offerings, reverse takeovers and qualifying transactions), listing on the TSX, TSXV and CSE, mergers, acquisitions, continuous disclosure, corporate governance and ongoing corporate matters. In 2017, Ms. Altshuler was recognized as one of Lexpert magazine's Rising Stars: Canada's Leading Lawyers Under 40 and, in 2018, was recognized as a leading lawyer to watch in the area of Corporate Finance & Securities. She is a member of the Ontario Securities Commission Small and Medium Enterprises Committee and a member of the TSX Venture Exchange Ontario Advisory Committee. Ms. Altshuler also instructs Corporate Finance at Windsor Law School.

Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

Other than disclosed below, no proposed director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within 10 years before the date of this Circular has been, a director or officer of any other company that, while the person was acting in that capacity:

1) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

2) was the subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

3) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

4) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Except as disclosed below, no proposed director or officer of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Adam Szweras was a director and Secretary of Bassett Media Group Corp. ("**Bassett**"), a company, listed on the TSX Venture Exchange until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010 for failing to file financial statements.

Adam Szweras was appointed as a director for Mahdia Gold Corp.'s ("**Mahdia**") on April 14, 2016. Mahdia was a Canadian Securities Exchange listed company until February 4, 2016. Mahdia has been subject to a cease trade order since March 13, 2015, due to not filing its financial statements and management's discussion and analysis pursuant to NI 51-102.

Onco Petroleum Inc. ("**Onco**") was listed on the CNQ exchange (now CSE). Peter Bilodeau was CEO and director of Onco from September 2008 to April 2011. In July 2008, prior to Mr. Bilodeau assuming his posts with Onco, a cease trade order was issued against Onco for failing to file financial statements. On March 30, 2010, a receiver was appointed by the Ontario Superior Court and the Corporation's assets sold off. Energex Petroleum Inc., founded by Mr. Bilodeau, filed for bankruptcy in June 2016. Due to his heavy investment in the above companies, Mr. Bilodeau filed a creditor proposal in June 2016. It was discharged in February 2017.

Resulting Issuer Board Committees

Following the completion of the Transaction, the directors of the Resulting Issuer intend to establish such committees of the board as determined to be appropriate in addition to the audit committee and compensation committee.

Audit Committee

The audit committee will assist the Resulting Issuer's Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. The audit committee will review the financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and its shareholder and reviews the Resulting Issuer's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

The members of the audit committee after completion of the Transaction include the following three proposed directors. Also indicated is whether they are "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Name of Member	Independent[(1)]	Financially Literate)[(2)]
Matthew K. Hawkins (Chair)	Yes	Yes
Tracy Geldert	Yes	Yes
Adam Szweras	No	Yes

Notes:

(1) A member of the audit committee is independent if he or she has no direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Corporation's Board of Directors, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Corporation, such as the President or Secretary, is deemed to have a material relationship with the Corporation. Adam Szweras will not be independent as he is the corporate secretary of Lineage and will have been an officer of the Resulting Issuer within the past three years. In addition, Mr. Szweras is the Chairman of FMICA and FMI. FMICA and FMI are 100% owned indirectly through FFHI by The Goomie Trust, a family trust for the benefit of Mr. Szweras' children. FMI and FMI have provided services to Lineage and FLRish and have received and will receive compensation from Lineage, FLRish and the Resulting Issuer. Lastly, Mr. Szweras is a partner at Fogler, Rubinoff LLP which provides legal services to Lineage and has been paid and will be paid legal fees. Please see Item 20- *Interest of Management and Others in Material Transactions* for further details.

(2) A member of the audit committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Compensation Committee

The compensation committee will assist the Resulting Issuer's Board of Directors in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the Resulting Issuer's executive officers. In addition, the compensation committee is charged with reviewing the employee stock option plan and proposing changes thereto, approving any awards of options under the employee stock option plan and recommending any other employee benefit plans, incentive awards and perquisites with respect to the Resulting Issuer's executive officers. The Compensation Committee is also responsible for reviewing, approving and reporting to the Corporation's Board annually (or more frequently as required) on the Resulting Issuer's succession plans for its executive officers.

The proposed members of the compensation committee after completion of the Transaction will include the following three directors: Tracy Geldert, Matthew K. Hawkins and Peter Bilodeau, with Ms. Geldert as chair.

Governance and Nominating Committee

The Resulting Issuer is expected to have a corporate governance and nominating committee. The overall purpose of the corporate governance and nominating committee will be to develop and monitor the Resulting Issuer's approach to: (i) matters of governance, and (ii) the nomination of directors to the board of the Resulting Issuer. The proposed members of the corporate governance and nominating committee after completion of the Transaction will include the following three directors: Peter Bilodeau, Andrew Berman and Sherri Altshuler, with Mr. Bilodeau as chair.

VI. Resulting Issuer Equity Incentive Plan Resolution

In connection with the Transaction, and in particular the preponderance of employees of FLRish that are residents of the United States, the Corporation proposes to adopt a new equity incentive plan (the "**Resulting Issuer Incentive Plan**") to replace the Corporation's option plan, subject to Shareholder approval. The Resulting Issuer Equity Incentive Plan will only be adopted by the Resulting Issuer in the event that the Transaction is completed.

Summary of Resulting Issuer Equity Incentive Plan

The principal features of the Resulting Issuer Equity Incentive Plan are summarized below.

Purpose

The purpose of the Resulting Issuer Equity Incentive Plan will be to enable the Resulting Issuer and its affiliated companies to: (i) attract and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Resulting Issuer; (ii) to offer such persons incentives to put forth maximum efforts; and (iii) to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership, thereby aligning the interests of such persons and the Resulting Issuer's shareholders.

The Resulting Issuer Equity Incentive Plan permits the granting of (i) share options ("**Options**"), (ii) restricted share awards "**Restricted Share**"), (iii) restricted share units ("**RSUs**"), (iv) share appreciation rights ("**SARs**"), (v) performance compensation awards ("**Performance Awards**"), (vi) dividend equivalents ("**Dividend Equivalent**"), as well as other share based awards (collectively, the "**Awards**"), as more fully described below.

All rights and obligations noted below of a Compensation and Nominating Committee in respect of the Resulting Issuer Equity Incentive Plan may, at any time and from time to time, be exercised by the Resulting Issuer's Board of Directors.

Eligibility

Any of the Resulting Issuer's employees, officers, directors, consultants or any affiliate or person to whom an offer of employment or engagement with the Resulting Issuer is extended, are eligible to participate in the Resulting Issuer Equity Incentive Plan if selected by the Compensation and Nominating Committee of the Resulting Issuer (the "**Participants**"). The basis of participation of an individual under the Resulting Issuer Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Resulting Issuer Equity Incentive Plan, will be determined by the Compensation and Nominating Committee based on its judgment as to the best interests of the Resulting Issuer and its shareholders, and therefore cannot be determined in advance.

Any shares subject to an Award under the Resulting Issuer Equity Incentive Plan that are not purchased, forfeited, reacquired by the Resulting Issuer (including any withheld to satisfy tax withholding obligations on Awards or securities that are settled in cash), or cancelled, shall again be available to be awarded under the Resulting Issuer Equity Incentive Plan.

In the event of any dividend, recapitalization, forward or reverse share split, reorganization, merger, amalgamation, consolidation, split-up, split-off, combination, repurchase or exchange of securities or other securities of the Resulting Issuer, issuance of warrants or other rights to acquire securities or other securities of the Resulting Issuer, or other similar corporate transaction or event, which affects the securities, or unusual or nonrecurring events affecting the Resulting Issuer, or the financial statements of the Resulting Issuer, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, the Compensation and Nominating Committee may make such adjustment, which is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Resulting Issuer Equity Incentive Plan, to (i) the number and kind of securities which may thereafter be issued in connection with Awards, (ii) the number and kind of securities issuable in respect of outstanding Awards, (iii) the purchase price or exercise price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award, and (iv) any securities limit set forth in the Resulting Issuer Equity Incentive Plan.

Awards

Shares Available

Subject to adjustment as provided in the Resulting Issuer Equity Incentive Plan, the aggregate number of Subordinate Voting Shares that may be issued under all Awards under the Plan shall be the number of Shares as determined by the Board from time to time. Notwithstanding the foregoing, the aggregate number of Subordinate Voting Shares that may be issued pursuant to awards of Incentive Share Options shall not exceed that number of Subordinate Voting Shares which is equal to 10% of all issued and outstanding Subordinate Voting Shares on the closing of the Transaction.

Options

Under the terms of the Resulting Issuer Equity Incentive Plan, unless the Compensation and Nominating Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options will not be less than the fair market value (as determined under the Resulting Issuer Equity Incentive Plan) of the securities at the time of grant. Options granted under the Resulting Issuer Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation and Nominating Committee and specified in the applicable award agreement. The maximum term of an option granted under the Resulting Issuer Equity Incentive Plan will be ten years from the date of grant. Payment in respect of the exercise of an Option may not be made, in whole or in part, with a promissory note.

Restricted Share and RSUs

Awards of Restricted Shares and RSUs shall be subject to such restrictions as the Compensation and Nominating Committee may impose (including, without limitation, any limitation on the right to vote or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Compensation and Nominating Committee may deem appropriate. Upon a Participant's termination of

employment or service or resignation or removal as a director (in either case, as determined under criteria established by the Compensation and Nominating Committee) during the applicable restriction period, all Restricted Shares and all RSUs held by such Participant at such time shall be forfeited and reacquired by the Resulting Issuer for cancellation at no cost to the Resulting Issuer; *provided, however*, that the Compensation and Nominating Committee may waive in whole or in part any or all remaining restrictions with respect to shares of Restricted Share or RSUs. Any Restricted Share granted under the Resulting Issuer Equity Incentive Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Compensation and Nominating Committee may deem appropriate.

Share Appreciation Rights

A SAR granted under the Resulting Issuer Equity Incentive Plan shall confer on the Participant a right to receive upon exercise, the excess of (i) the fair market value of one Subordinate Voting Share on the date of exercise over (ii) the grant price of the SAR as specified by the Compensation and Nominating Committee, which price shall not be less than 100% of the fair market value of one Subordinate Voting Share on the date of grant of the SAR; provided, however, that, subject to applicable law and stock exchange rules, the Compensation and Nominating Committee may designate a grant price below fair market value on the date of grant if the SAR is granted in substitution for a stock appreciation right previously granted by an entity that is acquired by or merged with the Resulting Issuer or an affiliate. Subject to the terms of the Resulting Issuer Equity Incentive Plan and any applicable award agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement, equity compensation and any other terms and conditions of any SAR shall be as determined by the Compensation and Nominating Committee. The Committee may impose such conditions or restrictions on the exercise of any SAR as it may deem appropriate. No SAR may be exercised more than ten years from the grant date.

Performance Awards

A Performance Award granted under the Resulting Issuer Equity Incentive Plan (i) may be denominated or payable in cash, Subordinate Voting Shares (including without limitation, Restricted Share and RSUs), other securities, other Awards or other property and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Compensation and Nominating Committee shall establish. Subject to the terms of the Resulting Issuer Equity Incentive Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Compensation and Nominating Committee.

Dividend Equivalents

A Dividend Equivalent granted under the Resulting Issuer Equity Incentive Plan allows Participants to receive payments (in cash, Subordinate Voting Shares, other securities, other Awards or other property as determined in the discretion of the Compensation and Nominating Committee) equivalent to the amount of cash dividends paid by the Resulting Issuer to holders of Subordinate Voting Shares with respect to a number of Subordinate Voting Shares as determined by the Compensation and Nominating Committee. Subject to the terms of the Resulting Issuer Equity Incentive Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Compensation and Nominating Committee shall determine. Notwithstanding the foregoing, (i) the Compensation and Nominating Committee may not grant Dividend Equivalents to eligible persons in connection with grants of Options, SARs or other Awards the value of which is based solely on an increase in the value of the Subordinate Voting Shares after the date of grant of such Award, and (ii) dividend and Dividend Equivalent amounts

may be accrued but shall not be paid unless and until the date on which all conditions or restrictions relating to such Award have been satisfied, waived or lapsed.

General

The Compensation and Nominating Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Resulting Issuer Equity Incentive Plan shall be non-transferable.

The Compensation and Nominating Committee may amend, suspend, discontinue or terminate the Resulting Issuer Equity Incentive Plan and the Compensation and Nominating Committee may amend or alter any outstanding Award at any time; provided that (i) such amendment, alteration, suspension, discontinuation, or termination complies with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange and (ii) no such amendment or termination may adversely affect Awards then outstanding without the Award holder's permission.

In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Subordinate Voting Shares or other securities of the Resulting Issuer or any other similar corporate transaction or event involving the Resulting Issuer (or the Resulting Issuer entering into a written agreement to undergo such a transaction or event), the Compensation and Nominating Committee or the Resulting Issuer Board may, in its sole discretion, provide for any (or a combination) of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, *provided that* the consummation of the event subsequently occurs):

- termination of the Award, whether or not vested, in exchange for cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights,

- the replacement of the Award with other rights or property selected by the Compensation and Nominating Committee or the Resulting Issuer Board, in its sole discretion,

- assumption of the Award by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the shares of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices,

- that the Award shall be exercisable or payable or fully vested with respect to all Subordinate Voting Shares covered thereby, notwithstanding anything to the contrary in the applicable award agreement, or

- that the Award cannot vest, be exercised or become payable after a certain date in the future, which may be the effective date of the event.

Tax Withholding

The Resulting Issuer may take such action as it deems appropriate to ensure that all applicable federal, state, local and/or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

Shareholder Approval of Resulting Issuer Equity Incentive Plan

To be effective, the resolution approving the Resulting Issuer Equity Incentive Plan (the "**Resulting Issuer Equity Incentive Plan Resolution**") requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. For purposes of approval of the Resulting Issuer Equity Incentive Plan Resolution, none of the current officers, directors or insiders of the Corporation will be eligible to participate in the Resulting Issuer Equity Incentive Plan and thus none of their Shares will be excluded in determining whether the Resulting Issuer Equity Incentive Plan Resolution has been approved.

Shareholder approval of the Resulting Issuer Equity Incentive Plan is necessary for certain purposes, including for the Corporation to facilitate grants of incentive stock options for purposes of Section 422 of the United States Internal Revenue Code of 1986, as amended. If Shareholders do not approve the Resulting Issuer Equity Incentive Plan, the Resulting Issuer Equity Incentive Plan will not go into effect.

The text of the Resulting Issuer Equity Incentive Plan Resolution is as below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. subject to the successful completion of the Transaction as defined in the management information circular of Lineage Grow Company Ltd. ("**Lineage**") dated April 9, 2019 (the "**Circular**"), all existing stock option plans of Lineage, including the current option plan of Lineage, are hereby terminated and the new equity incentive plan of Lineage described under the heading "Particulars Of Matters To Be Acted Upon – Resulting Issuer Equity Incentive Plan Resolution" in the Circular (the "**Resulting Issuer Equity Incentive Plan**"), subject to such changes thereto as may be required by regulatory authorities, is hereby authorized and approved as the equity incentive plan of Lineage and all unallocated options, rights and other entitlements issuable thereunder be and are hereby approved and authorized;

2. notwithstanding the approval of this special resolution by the Shareholders, the Board of Directors of Lineage may, without any further notice or approval of the Shareholders, decide not to proceed with the resolution; and

3. any one or more of the directors or officers of Lineage is hereby authorized and directed, acting for, in the name of and on behalf of Lineage, to execute or cause to be executed, under the seal of Lineage or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of Lineage be necessary or desirable to carry out the intent of the foregoing resolution, the execution of any such document or the doing of any such other act or thing by any director or officer of Lineage being conclusive evidence of such determination."

THE RESULTING ISSUER EQUITY INCENTIVE PLAN WILL ONLY BE ADOPTED BY THE CORPORATION IN THE EVENT THAT THE TRANSACTION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy FOR the Resulting Issuer Equity Incentive Plan Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Equity Incentive Plan Resolution.

The Board unanimously recommends that Shareholders vote FOR the Resulting Issuer Equity Incentive Plan Resolution at the Meeting.

VII. New By-law Resolution

At the Meeting, shareholders will be asked to approve an ordinary resolution (the "**New By-law Resolution**") ratifying, confirming and approving the adoption of By-law No. 2 of the Corporation, a copy of which is attached as Exhibit 4 to this Circular (the "**New By-law**").

The New By-law is substantively similar to By-law No. 1A adopted by the Corporation on December 20, 2011. The Board adopted the New By-law on April 9, 2019 and seeks to have shareholders ratify the form and content of the New By-law, as required by the OBCA. The primary difference between By-law No. 1A and the New By-law is that the New By-law contains an advance notice provision, the full text of which is set out in Article 4 of the New By-law (the "**Advance Notice Provision**"). The Board has determined that it is in the best interests of the Corporation to adopt and include the Advance Notice Provision in the New By-law as it: (i) facilitates orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensures that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allows shareholders to make an informed vote.

Advance Notice Provision

The purpose of the Advance Notice Provision is to: (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders. The Advance Notice Provision fixes a deadline by which registered Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of Shareholders. As a result of these requirements, the Advance Notice Provision provides all Shareholders with the opportunity to participate effectively in the election of directors by allowing them to consider all director nominees and to be made aware of potential proxy contests in advance of an annual or special meeting of Shareholders.

Terms of the Advance Notice Provision

The following is a brief summary of certain provisions of the Advance Notice Provision in By-Law No. 2 and is qualified in its entirety by the full text of By-Law No. 2 which is attached as Exhibit 4 to this Circular.

Other than pursuant to: (i) a proposal made in accordance with the *Business Corporations Act* (Ontario); or (ii) a requisition of a meeting of Shareholders made in accordance with the *Business Corporations Act* (Ontario), Shareholders must give advance written notice to the Corporation of any nominees for election to the Board.

The Advance Notice Provision fixes a deadline by which registered Shareholders must submit, in writing, nominations for directors to the corporate secretary of the Corporation prior to any annual or special meeting of Shareholders and sets forth the specific information that such holders must include with their nominations in order to be effective.

For an annual meeting of Shareholders, notice to the Corporation must be not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement.

For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

For the purposes of the Advance Notice Provision, "public announcement" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on SEDAR at www.sedar.com. The Board may, in its sole discretion, waive any requirement of the Advance Notice Provision.

Shareholder Approval of New By-law Resolution

To continue to be effective, the New By-law requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. The text of the New By-law Resolution is as below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION of the shareholders of Lineage Grow Company Ltd. (the "**Corporation**"), that:

1. By-law No. 1A of the Corporation, as adopted by the Lineage board of directors on December 20, 2011, and any other existing by-laws of the Corporation, be and are hereby repealed;

2. By-law No. 2 of the Corporation, as presented to the Meeting and attached as Exhibit 4 to the Corporation's Information Circular in connection therewith, be and is hereby ratified confirmed and approved as the by-law of the Corporation in substitution for, and to the exclusion of, any existing by-laws of the Corporation;

3. notwithstanding the approval of this special resolution by the Shareholders, the Board of Directors of Lineage may, without any further notice or approval of the Shareholders, decide not to proceed with the resolution; and

4. any director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver for and on behalf of the Corporation, under the corporate seal of the Corporation or otherwise, all such certificates, instruments, agreements, notices and other documents as in such person's opinion may be necessary or desirable for the purpose of giving effect to the foregoing resolutions."

The form of the New By-law Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the New By-law Resolution.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy FOR the New By-law Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the New By-law Resolution.

The Board unanimously recommends that Shareholders vote FOR the New By-law Resolution at the Meeting.

VIII. Resulting Issuer Rights Plan Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, approve, by ordinary resolution in the form set forth below to this Circular (the "**Resulting Issuer Rights Plan Resolution**"), the adoption of the shareholder rights plan agreement (the "**Rights Plan**"), the full text of which is attached as Exhibit 5 to this Circular.

The objectives of the Rights Plan are to ensure, to the extent possible, that all Shareholders and the Board of Directors have adequate time to consider and evaluate any unsolicited take-over bid for the Resulting Issuer, provide the Board of Directors with adequate time to evaluate any such take-over bid and explore and develop value-enhancing alternatives to any such take-over bid, encourage the fair treatment of the shareholders in connection with any such take-over bid, and generally assist the Board of Directors in enhancing Shareholder value.

The Rights Plan is being proposed by the Board of Directors as a governance best practice in the interest of the Corporation and all of its Shareholders, given the widely-held ownership of the Common Shares. It is not being proposed in response to any proposal to acquire control of the Corporation, nor is the Board of Directors currently aware of or anticipates any pending or threatened take-over bid for the Corporation.

If the Rights Plan is approved by Shareholders at the Meeting, the Corporation will enter into the Rights Plan upon completion of the Transaction with Odyssey Trust Company, as rights agent (the "**Rights Agent**"), and the Rights Plan will then become effective.

In proposing the adoption of the Rights Plan, the Board of Directors considered the existing legislative framework governing take-over bids in Canada. On May 9, 2016, significant amendments to the legal regime governing the conduct of take-over bids in Canada came into force. The amendments, among other things, lengthened the minimum deposit period of a non-exempt take-over bid to 105 days (from the previous 35 days), require that all such non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding shares of the class that are subject to the bid (exclusive of shares beneficially owned, or over which control or direction is exercised, by the bidder or its joint actors), and require a ten (10) day extension of the deposit period of the bid after the minimum tender requirement is met. Under the amendments, the target company has the ability to permit the shortening of the minimum deposit period to not less than 35 days, in which case the shortened deposit period will then apply to all concurrent take-over bids. In addition, if the target company announces that it intends to effect an alternative transaction that could result in the acquisition of the target company or its business, the minimum deposit period for any concurrent take-over bid will be automatically reduced to 35 days.

As the legislative amendments do not apply to exempt take-over bids, there continues to be a role for shareholder rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some areas of concern not addressed by the legislative amendments include:

- protecting against so-called "creeping bids" that are not required to be made to all shareholders. Creeping bids could involve the accumulation of more than 20% of the Subordinate Voting Shares through purchases exempt from the Canadian take- over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of the Subordinate Voting Shares over a stock exchange that could effectively block a take-over bid made to all shareholders, (iii) acquiring control through the slow accumulation of the Subordinate

Voting Shares over a stock exchange and without paying a control premium, or (iv) acquiring control through the purchase of the Subordinate Voting Shares in transactions outside of Canada not subject to Canadian take-over bid rules; and

- the use of so-called "hard" lock-up agreements by bidders, whereby existing shareholders commit to tender their shares to a bidder's take-over bid, that are either irrevocable or revocable but subject to preclusive termination conditions. Such agreements could have the effect of deterring other potential bidders bringing forward competing bids particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder's bid to achieve the 50% minimum tender requirement imposed by the legislative amendments.

By applying to all acquisitions of 20% or more of the Resulting Issuer's outstanding voting shares, except in limited circumstances including Permitted Bids (as defined in Exhibit 5 of this Circular), the Rights Plan is designed to ensure that all Shareholders receive equal treatment. In addition, there may be circumstances where bidders request lock-up agreements that are not in the best interests of the Resulting Issuer or its shareholders and the Rights Plan encourages bidders to structure lock-up agreements so as to provide the locked-up shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

The Rights Plan is therefore designed to encourage a potential acquiror who intends to make a take-over bid to proceed either by way of a Permitted Bid, which requires a take-over bid to meet certain minimum standards designed to promote the fair and equal treatment of all Shareholders, or with the concurrence of the Board of Directors. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board of Directors, the Rights (as defined in Exhibit 5 of this Circular) to be issued to shareholders under the Rights Plan will entitle the holders thereof, other than the acquiror and certain related parties, to purchase additional Subordinate Voting Shares at a significant discount to market, thus exposing the person acquiring 20% or more of the Subordinate Voting Shares to substantial dilution of its holdings.

SUMMARY OF RIGHTS PLAN

General

To implement the Rights Plan, the Board of Directors will authorize the issuance of one right (a "**Plan Right")** in respect of each Subordinate Voting Share when issued. Each Plan Right entitles the registered holder to purchase from the Resulting Issuer one Subordinate Voting Share for the Exercise Price, subject to adjustment as set out in the Rights Plan. In the event of an occurrence of a Flip-in Event (as defined below), each Plan Right entitles the registered holder to purchase from the Resulting Issuer that number of Subordinate Voting Shares that have an aggregate Market Price (as defined in the Rights Plan) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined in the Rights Plan), in accordance with the terms of the Rights Plan, for an amount in cash equal to the Exercise Price, subject to certain adjustments. The Plan Rights are not exercisable prior to the Separation Time (as defined below). The issuance of the Plan Rights will not affect reported earnings per Subordinate Voting Share until the Plan Rights separate from the underlying Subordinate Voting Shares and become exercisable. The issuance of Plan Rights will not change the manner in which Shareholders currently trade their Subordinate Voting Shares. The Rights Plan must be reconfirmed by a resolution passed by a majority of the votes cast by all Shareholders at every third annual meeting of Shareholders. If the Rights Plan is not so reconfirmed, the Rights Plan and all outstanding Plan Rights shall terminate and be void and of no further force and effect, provided that such termination shall not occur if a Flip-in Event that has not been waived pursuant to the Rights Plan has occurred prior to such annual meeting.

Flip-in Event

A "Flip-in Event" means a transaction as a result of which a Person becomes an Acquiring Person (as defined below). On the occurrence of a Flip-in Event, any Plan Rights Beneficially Owned on or after a date determined in accordance with the Rights Plan by an Acquiring Person (including any affiliate or associate thereof or any Person acting jointly or in concert with an Acquiring Person or any affiliate or associate of an Acquiring Person) and certain transferees of Plan Rights will become void and any such holder will not have any right to exercise Plan Rights under the Rights Plan and will not have any other rights with respect to the Plan Rights.

Acquiring Person

An "Acquiring Person" is, generally, a Person who is the Beneficial Owner of 20% or more of the outstanding Subordinate Voting Shares of the Resulting Issuer. Under the Rights Plan there are various exceptions to this rule, including that an Acquiring Person: (i) shall not include: (A) the Resulting Issuer or a subsidiary of the Resulting Issuer, and (B) an underwriter or selling group member during the course of a public distribution, and (ii) may not, in certain circumstances, include a Person who becomes the Beneficial Owner of 20% or more of the outstanding Subordinate Voting Shares as a result of any one of certain events or combinations of events that include: (A) a Subordinate Voting Share reduction through an acquisition or redemption of Subordinate Voting Shares by the Resulting Issuer, and (B) an acquisition of Subordinate Voting Shares made pursuant to a Permitted Bid (as defined below) or a Competing Permitted Bid.

Beneficial Ownership

A Person is deemed to be the "Beneficial Owner" of, and to "Beneficially Own", Subordinate Voting Shares in circumstances where that Person or any of its affiliates or associates: (i) is the owner of the Subordinate Voting Shares at law or in equity, or (ii) in certain circumstances, has the right to become the owner at law or in equity where such right is exercisable within 60 days and includes any Subordinate Voting Shares that are Beneficially Owned by any other Person with whom such Person is acting jointly or in concert. Under the Rights Plan there are various exceptions to this rule, including where a Person:

a) has agreed to deposit or tender Subordinate Voting Shares to a take-over bid pursuant to a permitted lock-up agreement in accordance with the terms of the Rights Plan; or

b) is an investment fund manager or a trust company acting as trustee or administrator who holds such Subordinate Voting Shares in the ordinary course of such duties for the account of another Person or other account(s), an administrator or trustee of one or more registered pension funds or plans, a crown agent or agency, a manager or trustee of a certain mutual funds or a Person established by statute to manage investment funds for employee benefit plans, pension plans, insurance plans or various public bodies, provided that such Person is not making and has not announced an intention to make a take-over bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Subordinate Voting Shares (as defined in the Rights Plan) pursuant to a distribution by the Resulting Issuer, by means of a Permitted Bid, or by means of ordinary market transactions executed through the facilities of a stock exchange or organized over-the-counter market.

Lock-Up Agreements

A bidder, any of its affiliates or associates or any other Person acting jointly or in concert with the bidder may enter into lock-up agreements (each, a "**Lock-up Agreement**") with the Resulting Issuer's Shareholders (each, a "**Locked-up Person**") whereby such Locked-up Persons agree to tender their

Subordinate Voting Shares to the take-over bid or otherwise commit to support a control transaction (the "**Subject Bid**") without a Flip-in Event occurring. Any such agreement must permit the Locked-up Person to withdraw their Subordinate Voting Shares from the lock-up to tender to another take-over bid or support another transaction that (i) will provide greater value to the Locked-up Person than the Subject Bid or (ii) contains an offering price per Subordinate Voting Share that exceeds by as much or more than a specified amount (a "**Specified Amount**") the value offered under the Subject Bid, and does not provide for a Specified Amount that is greater than 7% of the value offered under the Subject Bid.

Under a Lock-up Agreement no "break-up" fees, "top-up" fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of: (i) 2.5% of the value payable to the Locked-up Person under the Subject Bid; and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Subject Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender their Subordinate Voting Shares to the Subject Bid or withdraws such Subordinate Voting Shares previously tendered thereto in order to tender such Subordinate Voting Shares to another take-over bid or participate in another transaction. Any Lock-up Agreement is made available to the public.

Permitted Bid

A Flip-in Event will not occur if a take-over bid is structured as a Permitted Bid. A Permitted Bid is a take-over bid made by means of a take-over circular, which also complies with the following provisions:

a) the take-over bid is made to all registered Shareholders of the Resulting Issuer, wherever resident, other than the Person making the bid;

b) the take-over bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:

i) no Subordinate Voting Shares will be taken-up or paid for pursuant to the take-over bid: (A) before the close of business on a date that is not less than 105 days following the date of the take-over bid or such shorter minimum initial deposit period that a non-exempt take-over bid must remain open for deposits, in the applicable circumstances at such time, pursuant to NI 62-104; and (B) then only if, at the close of business on such date, the Subordinate Voting Shares deposited or tendered pursuant to the take-over bid and not withdrawn constitute more than 50% of the Subordinate Voting Shares outstanding which are held by "independent Shareholders" (as defined in the Rights Plan);

ii) unless the take-over bid is withdrawn, Subordinate Voting Shares may be deposited pursuant to the take-over bid at any time before the close of business on the date of the first take-up of or payment for Subordinate Voting Shares;

iii) any Subordinate Voting Shares deposited pursuant to the take-over bid may be withdrawn until taken-up and paid for; and

iv) if the requirement in clause (b) (i) (B) is satisfied, the Person making the bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Subordinate Voting Shares for not less than ten days from the date of such public announcement.

Trading of Rights

Until the Separation Time (as defined below), the Plan Rights will be evidenced by the associated issued and outstanding Subordinate Voting Shares of the Resulting Issuer. The Rights Plan provides that, until the Separation Time, the Plan Rights will be transferred with, and only with, the associated Subordinate Voting Shares. Until the Separation Time, or earlier termination or expiration of the Plan Rights, each new Subordinate Voting Share certificate issued after the applicable record time, if any, will display a legend incorporating the terms of the Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Plan Rights ("**Plan Rights Certificates**") will be mailed to registered Shareholders, other than an Acquiring Person and in respect of any Plan Rights Beneficially Owned by such Acquiring Person, as of the close of business at the Separation Time, and thereafter the Plan Rights Certificates alone will evidence the Plan Rights.

Separation Time

The Plan Rights will separate and trade apart from the Subordinate Voting Shares after the Separation Time until the Expiration Time. Subject to the right of the Board of Directors to defer it, the "Separation Time" means the close of business on the eighth business day after the earliest of: (i) the first date of a public announcement that a Person has become an Acquiring Person; (ii) the commencement or first public announcement of the intent of any Person to commence a take-over bid other than a Permitted Bid; and (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

Waiver

Without the consent of Shareholders or, if applicable, holders of Plan Rights, the Board of Directors may waive the application of the Rights Plan to a Flip-in Event that would occur by reason of a take-over bid made by means of a take-over bid circular to all Shareholders of the Resulting Issuer provided that, if the Board of Directors waive the application of the Rights Plan to such Flip-in Event, they will be deemed to have waived the application of the Rights Plan to any other Flip-in Events occurring by reason of a take-over bid made by means of a take-over bid circular to all Shareholders of the Resulting Issuer which is made prior to the expiry of any take-over bid in respect of which a waiver has been granted by the Board of Directors. The Board of Directors may also, subject to certain conditions, waive the application of the Rights Plan to a Flip-in Event triggered by inadvertence.

Redemption

The Board of Directors with the approval of a majority vote of the votes cast by Shareholders (or the holders of Plan Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Plan Rights at $0.001 per Plan Right, subject to adjustment in accordance with the Rights Plan. Plan Rights will become void and be of no further effect on the date that any Person who has made a Permitted Bid, Competing Permitted Bid or Exempt Acquisition (as defined in the Rights Plan) takes up and pays for the Subordinate Voting Shares pursuant to such transaction.

Power to Amend

The Resulting Issuer may make amendments to the Rights Plan to correct clerical or typographical errors without the approval of the holders of Plan Rights. The Resulting Issuer may make amendments to the Rights Plan to preserve the validity of the Rights Plan in the event of any change in applicable legislation, rules or regulations thereunder with the approval of the Shareholders of the Resulting Issuer or, in certain circumstances, the holders of Plan Rights, in accordance with the Rights Plan. In other circumstances, amendments to the Rights Plan may require the prior approval of the Shareholders of the Resulting Issuer or, the holders of Plan Rights.

Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Subordinate Voting Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Shareholder Approval for the Rights Plan

As a result of the foregoing considerations, the Board of Directors has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan upon completion of the Transaction substantially in the form and on the terms of the Rights Plan, subject to approval of the Rights Plan by shareholders at the Meeting. In recommending the approval of the Rights Plan, it is not the intention of the Board of Directors to preclude a bid for control of the Resulting Issuer. The Rights Plan provides a mechanism whereby shareholders may tender their shares to a take-over bid as long as it meets the criteria applicable to a Permitted Bid or Competing Permitted Bid, as the case may be, under the Rights Plan. Furthermore, even in the context of a take-over bid that would not meet such criteria, but is made by way of a take-over bid circular to all of the Resulting Issuer's shareholders, the Board of Directors would still have a duty to consider such a bid and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such duty, the Board of Directors must act with honesty and loyalty and in the interest of the Corporation.

The Rights Plan will not preclude any Shareholder from using the proxy mechanism of the OBCA, the Resulting Issuer's governing statute, to promote a change in the Resulting Issuer's management or in the Board of Directors, and it will have no effect on the rights of holders of the Subordinate Voting Shares to requisition a meeting of Shareholders in accordance with the provisions of applicable legislation.

The Rights Plan is not expected to interfere with the Resulting Issuer's day-to-day operations. The initial issuance of Rights under the Rights Plan and the issuance of additional Rights in the future will not in any way alter the financial condition of the Resulting Issuer, impede its business plans or alter its financial statements. In addition, the Rights Plan is initially not dilutive. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

See the full text of the Rights Plan attached as Exhibit 5 to this Circular.

To be effective, the Rights Plan requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. The text of the Resulting Issuer Rights Plan Resolution is as below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION THAT:

1. the Shareholder Rights Plan evidenced by the draft Shareholder Rights Plan Agreement between the Corporation and Odyssey Trust Company, as Rights Agent, the adoption of which was authorized by the Board of Directors subject to the approval thereof by the shareholders of the Corporation pursuant to this resolution, and the full text of which is reproduced as Exhibit 5 to this Circular, be, and it is hereby, authorized, approved and adopted, subject to such changes thereto as may be required by regulatory authorities;

2. notwithstanding the approval of this special resolution by the Shareholders, the Board of Directors of Lineage may, without any further notice or approval of the Shareholders, decide not to proceed with the resolution; and

3. any one or more of the directors or officers of Lineage is hereby authorized and directed, acting for, in the name of and on behalf of Lineage, to execute or cause to be executed, under the seal of Lineage or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of Lineage be necessary or desirable to carry out the intent of the foregoing resolution, the execution of any such document or the doing of any such other act or thing by any director or officer of Lineage being conclusive evidence of such determination."

THE RIGHTS PLAN WILL ONLY BE ADOPTED BY THE CORPORATION IN THE EVENT THAT THE TRANSACTION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy FOR the Resulting Issuer Rights Plan Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Rights Plan Resolution.

The Board unanimously recommends that Shareholders vote FOR the Resulting Issuer Rights Plan Resolution at the Meeting.

ADDITIONAL INFORMATION

Financial information pertaining to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis ("**MD&A**") for the financial year ended January 31, 2018. Copies of the Corporation's financial statements and related MD&A can be obtained from the Corporation at Suite 2905, 77 King Street West, TD North Tower, Toronto, ON M5K 1H1. Additional Information relating to the Corporation is available on the SEDAR website at www.sedar.com.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

April 9, 2019

(signed) *"Peter Bilodeau"*
Peter Bilodeau
Director and Chief Executive Officer

EXHIBIT 1
FORM OF STOCK DIVIDEND ARTICLES OF AMENDMENT

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

1861925

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

LINEAGE GROW COMPANY LTD.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2001/07/11

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: Nombre d'administrateurs :		minimum and maximum number of directors is/are: nombres minimum et maximum d'administrateurs :	
Number Nombre		minimum and maximum minimum et maximum	
	or **ou**		

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

Please see pages 1(A) to 1(H) attached hereto and made a part hereof.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

LINEAGE GROW COMPANY LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par :

(Signature)
(SIgnature)

Peter Bilodeau

President

(Description of Office)
(Fonction)

5.1 The authorized capital of the Corporation is hereby amended as follows:

(a) By the creation of an unlimited number of Special Shares, issuable in series;

(b) By the creation of 45,000,000 Series A Special Shares;

(c) By the creation of 12,000,0000 Series B Special Shares;

(d) By the creation of 15,000,000 Series C Special Shares;

the Series A Special Shares, Series B Special Shares and Series C Special Shares (collectively, the "Special Shares"):

so that the authorized capital of the Corporation shall consist of an unlimited number of Common Shares, an unlimited number Preferred Shares and an unlimited number of Special Shares issuable in series, 45,000,000 Series A Special Shares, 12,000,000 Series B Special Shares and 15,000,000 Series C Special Shares.

SPECIAL SHARES

The following rights, privileges, restrictions and conditions shall be attached to the Special Shares:

ARTICLE 1
INTERPRETATION

1.1 Definitions

For purposes of these Special Share provisions:

(a) "**Agris Purchase**" means the proposed purchase by the Corporation of all outstanding membership interest in Walnut Oaks, LLC d/b/a Agris Farms, which possess a cultivation facility in Yolo County, California.

(b) "**Applicable Outside Date**" has the meaning set out in Section 7.1.

(c) "**Board of Directors**" means the board of directors of the Corporation.

(d) "**Common Shares**" means common shares in the capital of the Corporation or such other shares into which common shares may be reclassified, converted, exchanged, or otherwise changed.

(e) "**Conversion Ratio**" means the number of Common Shares issuable for each one Special Share converted, which shall be the Initial Conversion Ratio, as adjusted in accordance with Article 5 hereof.

(f) "**Corporation**" means Lineage Grow Company Limited.

(g) "**CSE**" means the Canadian Securities Exchange.

(h) "**FLRish RTO Transaction**" means the proposed reverse take-over transaction between the Corporation and FLRish, Inc. in accordance with the Merger Agreement.

(i) "**Holders**" means, at any time, the registered holders of all outstanding Special Shares.

(j) "**Initial Conversion Ratio**" means 1.0, meaning one (1) Common Share issuable for each one (1) Special Share converted.

(k) "**Issuance Date**" means in respect of Special Shares, the date on which the Special Share is issued.

(l) "**LUX Purchase**" means the proposed purchase by the Corporation of all outstanding shares of Lucrum Enterprises, Inc. (d/b/a Lux), a California corporation.

(m) "**Material Adverse Effect**" means any change, effect, or circumstance (i) that is, in actuality, materially adverse to the business, assets, operations, or financial condition of Agris or LUX, as applicable, or (ii) that materially and adversely affects the ability of Agris or LUX, as applicable, to perform its obligations under the applicable purchase agreement with respect to the Agris Purchase and the LUX Purchase, as applicable, or to consummate the transactions contemplated thereby; provided, that, for purposes of this Schedule, a Material Adverse Effect will not include changes to the assets, operations or financial condition of Agris or LUX, as applicable, to the extent resulting from (a) changes that affect the industry or markets in which it operates, (b) any hurricane, earthquake or other natural disasters, (c) changes in general economic, regulatory or political conditions in the United States, (d) changes in GAAP, (e) changes in the United States debt or securities markets, (f) military action or any act of terrorism, (g) changes in currency exchange rates or commodities prices, (h) compliance with the terms of the applicable purchase agreement, or (i) any failure of Agris or LUX, as applicable, to meet projections or forecasts (provided that the underlying causes of such failure will be considered in determining whether there is or has been a Material Adverse Effect).

(n) "**Merger Agreement**" means the merger agreement dated as of February 8, 2019 between the Corporation, Lineage Merger Sub Inc. and FLRish, Inc.

(o) "**Redemption Price**" has the meaning set out in Section 7.2.

(p) "**Reverse Stock Split**" means the consolidation of outstanding Common Shares into a smaller number of Common Shares.

(q) "**Special Shares**" means the Special Shares in the capital of the Corporation, and includes the Series A Special Shares, Series B Special Shares and Series C Special Shares.

(r) "**Series A Special Shares**" means the Special Shares designated as Series A Special Shares.

(s) "**Series B Special Shares**" means the Special Shares designated as Series B Special Shares.

(t) "**Series C Special Shares**" means the Special Shares designated as Series C Special Shares.

1.2 Delivery

Wherever in these Special Share provisions a delivery is to be made to a Holder, such delivery requirement shall be and shall be deemed to be satisfied by delivery to the last address of such Holder noted on the register maintained by or on behalf of the Corporation for the Special Shares.

ARTICLE 2
VOTING AND DISSENT RIGHTS

2.1 No Voting Rights

Except as required by law, the holders of the Special Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

2.2 Limitation on Class Votes

The holders of the Special Shares shall not be entitled to vote separately as a class or series, and shall not be entitled to dissent, upon a proposal to amend the articles of the Corporation to:

(a) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Special Shares; or

(b) create a new class or series of a class of shares equal or superior to the Special Shares.

ARTICLE 3
DIVIDENDS

3.1 No Entitlement to Dividends

The holders of the Special Shares shall not be entitled to any dividends.

ARTICLE 4
LIQUIDATION

4.1 Payment on Liquidation Event

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Special Shares shall not be entitled to share in any distribution of the property or assets of the Corporation.

ARTICLE 5
CONVERSION

5.1 Automatic Conversion

(a) The Series A Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the FLRish RTO Transaction without payment of additional consideration or any further action from the holder.

(b) The Series B Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the LUX Purchase without payment of additional consideration or any further action from the holder.

(c) The Series C Special Shares will be automatically converted into Common Shares at the Conversion Ratio immediately after the completion of the Agris Purchase without payment of additional consideration or any further action from the holder.

(d) If the Corporation terminates the Agris Purchase for reasons other than (i) the failure to receive regulatory approval for the Agris Purchase prior to the 180th day after the completion of the FLRish RTO Transaction; (ii) the discovery of an undisclosed Material Adverse Effect of at least ten percent (10%) of the total purchase price for the Agris Purchase; or (iii) the amount of the consideration for the Agris Purchase is in excess of the amounts set forth in Section 9.1(a) of the Merger Agreement, then the Series C Special Shares shall automatically be converted into Subordinate Voting Shares on the date of the termination of the Agris Purchase.

(e) If the Corporation terminates the LUX Purchase for reasons other than (i) the failure to receive regulatory approval for the LUX Purchase prior to the 180th day after the completion of the FLRish RTO Transaction; (ii) the discovery of an undisclosed Material Adverse Effect of at least ten percent (10%) of the total purchase price for the LUX Purchase (which shall not include the potential litigation of Lux with respect to litigation titled White Wolf Farms v. American Redstone, Yolo County Superior Court Case No. CV18-848 and any associated matters); or (iii) the amount of the consideration for the LUX Purchase is in excess of the amounts set forth in Section 9.1(b) of the Merger Agreement, then

the Series B Special Shares shall automatically be converted into Subordinate Voting Shares on the date of the termination of the LUX Purchase.

5.2 Conversion Ratio

The number of Common Shares into which each Special Share is convertible shall initially be one Special Share for one Common Share (the "**Initial Conversion Ratio**"), as adjusted from time to time in accordance with Article 6.

5.3 Time of Conversion

Conversion of any Special Shares into Common Shares pursuant to this Article 5 shall be deemed to be effected:

(a) in the case of a conversion of Series A Special Shares, immediately after the closing of the FLRish RTO Transaction;

(b) in the case of a conversion of Series B Special Shares, immediately after the closing of the LUX Purchase or upon termination of the Agris Purchase in accordance with 5.1(d); and

(c) in the case of a conversion of Series C Special Shares, immediately after the closing of the LUX Purchase or upon termination of the LUX Purchase in accordance with 5.1(e).

5.4 Effect of Conversion

At the time of the conversion of any Special Shares into Common Shares as provided in Section 5.1:

(a) the rights of a Holder as a holder of the converted Special Shares shall terminate; and

(b) each person in whose name any certificate for Common Shares is issuable upon such conversion is deemed to have become the holder of record of such Common Shares.

5.5 Mechanics of Conversion at the Option of the Corporation

(a) Upon the conversion of any Special Shares into Common Shares pursuant to Section 5.1 hereof, any certificate or certificates formerly representing that Holder's Special Shares shall be cancelled and be of no force or effect without Holder surrendering such certificate or certificates.

(b) The Corporation shall issue and deliver to such Holder, promptly and in the name shown on the certificate or certificates formerly representing the Special Shares so converted, a certificate or certificates for the number of Common Shares into which such Special Shares are converted.

5.6 Fractional Shares

No fractional Common Shares will be issued upon conversion of Special Shares. Any conversion that results in less than a whole number of Common Shares shall be rounded down to the next whole number.

ARTICLE 6
ADJUSTMENT TO CONVERSION RATIO

6.1 Initial Conversion Ratio

The initial Conversion Ratio in respect of the Special Shares shall be one (1), meaning one (1) Common Share for each one (1) Special Share converted and shall remain in effect until the Conversion Ratio is adjusted in accordance with the provisions of this Article 6.

6.2 Adjustments for Reverse Stock Splits

After the Issuance Date, the Conversion Ratio shall be adjusted upon a Reverse Stock Split, automatically and simultaneously with the Reverse Stock Split, such that the Conversion Ratio immediately following the Reverse Stock Split shall be equal to the product obtained by multiplying the Conversion Ratio immediately before the Reverse Stock Split by a fraction:

(a) the numerator of which is the number of Common Shares issued and outstanding immediately after the Reverse Stock Split (for greater certainty, calculated on an undiluted basis); and

(b) the denominator of which is the number of Common Shares issued and outstanding immediately before the Reverse Stock Split (for greater certainty, calculated on an undiluted basis).

6.3 Adjustments for Capital Reorganizations

If, following the Issuance Date, the Common Shares are changed or reclassified into the same or a different number of shares of any class or series of stock, whether by capital reorganization, reclassification or otherwise (other than in connection with a Reverse Stock Split), the Special Shares shall be convertible into such kind and number of such shares that a holder of a number of Common Shares equal to the number of Common Shares into which such Special Shares were convertible immediately prior to the change is entitled to receive upon such change.

6.4 Notification as to Adjustments

In each case of an adjustment or readjustment of the Conversion Ratio, the Corporation will promptly issue a press release and file applicable form(s) required by the CSE, showing such adjustment or readjustment, and stating in reasonable detail the facts upon which such adjustment or readjustment is based.

6.5 Further Adjustment Provisions

If, at any time as a result of an adjustment made pursuant to this Article 6, a Holder becomes entitled to receive any shares or other securities of the Corporation other than Common Shares upon surrendering Special Shares for conversion, the Conversion Ratio in respect of such other shares or securities will be adjusted after that time, and will be subject to further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Special Shares contained in this Article 6 as determined by the Board of Directors acting reasonably and in good faith, and the remaining provisions of these Special Shares provisions apply on the same or similar terms to any such other shares or securities as determined by the Board of Directors acting reasonably and in good faith.

ARTICLE 7
REDEMPTION

7.1 Automatic Redemption

Unless all of the Special Shares shall have otherwise been converted into Common Shares pursuant to Article 5 hereof on or prior to the date (the "**Applicable Outside Date**") that is:

(a) with respect to Series A Special Shares, end of business on July 2, 2019 or such later date as approved by the board of directors of the Corporation;

(b) with respect to Series B Special Shares, the 180th day after the completion of the FLRish RTO Transaction or such later date as approved by the board of directors of the Corporation;

(c) with respect to Series A Special Shares, the 180th day after the completion of the FLRish RTO Transaction or such later date as approved by the board of directors of the Corporation;

the applicable Special Shares shall, on the first Business Day following the Applicable Outside Date, be automatically redeemed and shall be deemed to be redeemed in accordance with the applicable provisions of this Article 7 without any act by the Corporation or the Holders.

7.2 Redemption Price

The redemption price payable for each Special Share (the "**Redemption Price**") shall be C$0.000001 per Special Share.

7.3 Redemption Mechanics

(a) With respect to any redemption of Special Shares pursuant to Section 7.1 hereof, all applicable Special Shares redeemable on the Applicable Outside Date shall be deemed to have been redeemed on the applicable Outside Date without any further action from the Holder and without the Holding having to surrender the certificate or certificates representing such Holder's Special Shares redeemed.

(b) The Redemption Price shall be satisfied, in the sole discretion of the Corporation, in cash, provided that no payment shall be made, and no compensation shall be provided for, any payment to a Holder that is less than C$1.00. The Corporation shall deliver to such Holder promptly, a cheque of the Corporation in an amount equal to the aggregate Redemption Price for the Special Shares redeemed is the payment is C$1.00 or more.

7.4 Time and Effect of Redemption

Upon the earlier of the date that (i) the Corporation deposits with the transfer agent, if any, for the Special Shares redeemed, or with a third party trust company selected by the Corporation for this purpose, the cash sufficient to satisfy the aggregate Redemption Price in respect of the Special Shares to be redeemed and (ii) a Holder receives payment in full of the Redemption Price, the rights of a Holder as a holder of the redeemed Special Shares shall terminate.

7.5 Notification as to Redemption

In each case of a redemption of Special Shares, the Corporation will promptly issue a press release and file applicable form(s) required by the CSE, showing details of the redemption including the date of the redemption, the number of Special Shares redeemed, and the basis for the redemption.

EXHIBIT 2
FORM OF MERGER ARTICLES OF AMENDMENT

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

1861925

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

LINEAGE GROW COMPANY LTD.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

HARBORSIDE, INC.

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2001, 07, 11

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: Nombre d'administrateurs :		minimum and maximum number of directors is/are: nombres minimum et maximum d'administrateurs :	
Number Nombre		minimum and maximum minimum et maximum	
	or **ou**		

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

Refer to pages 1A through 1P annexed.

5. *Continued*

A. to change the name of the Company from Lineage Grow Company Ltd. to Harborside, Inc.;

B. by consolidating the outstanding Common Shares on the basis of 41.818181818182 existing Common Shares for one Common Share (the "**Consolidation**");

C. by changing the designation of the post-Consolidation Common Shares to Subordinate Voting Shares;

D. by increasing the authorized capital by creating an unlimited number of shares of a class to be designated as Multiple Voting Shares;

E. by deleting paragraph 9 of the Articles in its entirety and replacing with the following:

(i) "an unlimited number of shares of a class to be designated as Subordinate Voting Shares;

(ii) an unlimited number of shares of a class to be designated as Multiple Voting Shares; and

(iii) an unlimited number of shares of a class to be designated as Special Shares, issuable in series, with the following series of Special Shares designated;

(1) 45,000,000 Series A Special shares;

(2) 12,000,000 Series B Special shares; and

(3) 15,000,000 Series C Special shares."

F. by adding the following rights, privileges, restrictions and conditions to paragraph 10 of the Articles relating to the Subordinate Voting Shares and the Multiple Voting Shares:

1. **"Subordinate Voting Shares**

(a) **Voting Rights.** Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

(b) **Alteration to Rights of Subordinate Voting Shares.** As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

(c) **Dividends.** Holders of Subordinate Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or property of the Company. No

5. *Continued*

dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the Board of Directors of the Company.

(d) **Liquidation, Dissolution or Winding-Up.** In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

(e) **Rights to Subscribe; Pre-Emptive Rights.** The holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

(f) **Subdivision or Consolidation.** No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner or such other adjustment is made so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 1(g), the Subordinate Voting Shares cannot be converted into any other class of shares.

(g) **Conversion of Subordinate Voting Shares Upon an Offer.** In the event that an offer is made to purchase Multiple Voting Shares:

(i) if there is a published market for the Multiple Voting Shares, the offer is one which is required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) applicable securities legislation or (y) the rules of any stock exchange on which the Multiple Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or

(ii) if the Multiple Voting Shares are not then listed, the offer is one which would have been required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada pursuant to (x) applicable securities legislation or (y) the rules of any stock exchange had the Multiple Voting Shares been listed,

then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined in Section 2(f)(i)) then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be

5. *Continued*

acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Company shall deposit or cause the transfer agent for the Subordinated Voting Shares to deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder. To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

(iii) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;

(iv) deliver to the transfer agent the share certificate or certificates representing the Subordinate Voting Shares in respect of which the right is being exercised, if applicable; and pay any applicable stamp tax or similar duty on or in respect of such conversion.

(v) no share certificates representing the Multiple Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Multiple Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion will be re-converted into Subordinate Voting Shares at the then Conversion Ratio and the Company shall send or cause the transfer agent to send to the holder a share certificate representing the Subordinate Voting Shares. In the event that the offeror takes up and pays for the Multiple Voting Shares resulting from conversion, the Company shall cause the transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

2. **Multiple Voting Shares**

(a) **Voting Rights.** Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted, which for greater certainty, shall initially equal 100 votes per Multiple Voting Share.

(b) **Alteration to Rights of Multiple Voting Shares.** As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple

5. *Continued*

Voting Shares. In connection with the exercise of the voting rights contained in this Section 2(b), each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

(c) **Dividends.** The holder of Multiple Voting Shares shall have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted to Subordinated Voting Share basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Multiple Voting Shares shall receive Multiple Voting Shares, unless otherwise determined by the Board of Directors of the Company.

(d) **Liquidation, Dissolution or Winding-Up.** In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

(e) **Rights to Subscribe; Pre-Emptive Rights.** The holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

(f) **Conversion.** Subject to the Conversion Restrictions set forth in this Section 2(f), holders of Multiple Voting Shares shall have conversion rights as follows (the "**Conversion Rights**"):

(i) **Right to Convert.** Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Multiple Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for shares of Multiple Voting Shares shall be 100 Subordinate Voting Shares for each Multiple Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in Sections 2(g) and 2(h).

(ii) **Conversion Limitations**. Before any holder of Multiple Voting Shares shall be entitled to convert the same into Subordinate Voting Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in

5. *Continued*

Section 2(f)(iii) or 2(f)(vi) shall apply to the conversion of Multiple Voting Shares.

(iii) **Foreign Private Issuer Protection Limitation**: The Company will use commercially reasonable efforts to maintain its status as a "**foreign private issuer**" (as determined in accordance with Rule 3b-4 under the *Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"). Accordingly, the Company shall not affect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares, pursuant to this Section 2(f)(iii)or otherwise, to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act ("**U.S. Residents**")) would exceed forty percent (40%) (the "**40% Threshold**") of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the "**FPI Protective Restriction**"). The Board may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.

(iv) **Conversion Limitations.** In order to effect the FPI Protective Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "**Determination Date**"), calculated as follows:

$X = [(A \times 0.4) - B] \times (C/D)$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issue upon conversion of Multiple Voting Shares by a holder.

A = The number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

5. *Continued*

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of this Section 2(f)(iv), the Board of Directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. Within thirty (30) days of the end of each Determination Date (a "**Notice of Conversion Limitation**"), the Company will provide each holder of record a notice of the FPI Protective Restriction and the impact the FPI Protective Restriction has on the ability of each holder to exercise the right to convert Multiple Voting Shares held by the holder. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protective Restriction would result in the 40% Threshold being exceeded, the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction contained in this Section 2(f) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Company.

(v) **Mandatory Conversion.** Notwithstanding Section 2(f)(iii), the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a "**Mandatory Conversion**") if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):

(1) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**");

(2) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and

(3) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a notice of Mandatory Conversion

5. *Continued*

at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible and (ii) the address of record for such holder. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate representing the Multiple Voting Shares shall be null and void.

(vi) **Beneficial Ownership Restriction.** The Company shall not affect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to this Section 2(f)(vi) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the holder (together with the holder's affiliates (each, an "**Affiliate**" as defined in Rule 12b-2 under the Exchange Act), and any other persons acting as a group together with the holder or any of the holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) conversion of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares subject to the Conversion Notice, by the holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section 2(f)(vi), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder based on information provided by the shareholder to the Company in the Conversion Notice.

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To the extent that the limitation contained in this Section 2(f)(vi) applies and the Company can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(f)(vi), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Section 2(f)(vi) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(f)(vi) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Multiple Voting Shares.

(vii) **Disputes**. In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Holder in connection with a conversion of Multiple Voting Shares, the Company shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section 2(l).

(viii) **Mechanics of Conversion**. Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System) administered by any applicable depository or transfer agent of the Company, and shall give written notice to the Company at its principal corporate office, of the election to

5. *Continued*

convert the same (each, a "**Conversion Notice**") and the Subordinate Voting Shares resulting therefrom shall be registered in the name of the registered holder of the Multiple Voting Shares converted or, subject to payment by the registered holder of any stock transfer or applicable taxes and compliance with any other reasonable requirements of the Company in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate or certificates and, as applicable, compliance with such other requirements, the Company shall (or shall cause its transfer agent to), at its expense, as soon as practicable thereafter, remove or cause the removal of such holder from the register of holders in respect of the Multiple Voting Shares for which the conversion right is being exercised, add the holder (or any person or persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares to be registered) to the securities register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate or certificates representing such Multiple Voting Shares and issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System) administered by any applicable depository or transfer agent of the Company, representing the Subordinate Voting Shares issued upon the conversion of such Multiple Voting Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date. If less than all of the Multiple Voting Shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate representing the Multiple Voting Shares represented by the original certificate which are not to be converted. A Multiple Voting Share that is converted into Subordinate Voting Shares as provided for in this subsection 2(f)(viii) will automatically be cancelled.

(g) **Adjustments for Distributions.** In the event the Company shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this Section 2(g), the holders of Multiple Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such Distribution.

(h) **Recapitalizations; Stock Splits.** If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue

5. *Continued*

Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Multiple Voting Shares shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 2(h) with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Section 2(h) (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(i) **No Fractional Shares and Certificate as to Adjustments.** No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded down to the nearest whole Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of Multiple Voting Shares the holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.

(j) **Adjustment Notice.** Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 2(j), the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Multiple Voting Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Multiple Voting Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Multiple Voting Shares at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.

(k) **Effect of Conversion.** All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "**Conversion Time**"), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(l) **Disputes.** Any holder of Multiple Voting Shares that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio (as defined herein), the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation (each as defined in the terms of Multiple Voting Shares) by the Company to the Board of Directors with the basis for the disputed determinations or arithmetic

5. *Continued*

calculations. The Company shall respond to the holder within five (5) business days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) business days of such response, then the Company and the holder shall, within one (1) business day thereafter, submit the disputed arithmetic calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) business days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(m) **Conversion of Multiple Voting Shares Upon an Offer.** In addition to the conversion rights set out in Section 2(f), in the event that an offer is made to purchase Subordinate Voting Shares:

(i) if there is a published market for the Subordinate Voting Shares, the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) applicable securities legislation or (y) the rules of any stock exchange on which the Subordinate Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or

(ii) if the Subordinate Voting Shares are not then listed, the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (x) applicable securities legislation or (y) the rules of any stock exchange had the Subordinate Voting Shares been listed,

then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Section 2(m) may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the Company shall or shall cause its transfer agent for the Subordinate Voting Shares to deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

5. *Continued*

(iii) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;

(iv) deliver to the transfer agent the share certificate or certificates representing the Multiple Voting Shares in respect of which the right is being exercised, if applicable; and

(v) pay any applicable stamp tax or similar duty on or in respect of such conversion. No share certificates representing the Subordinate Voting Shares, resulting from the conversion of the Multiple Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be re-converted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and the Company shall send, or cause its transfer agent to send, to the holder a share certificate representing the Multiple Voting Shares. In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from conversion, the Company shall or shall cause its transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

(n) **Notices of Record Date.** Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Multiple Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

3. **Redemption of Shares**

(a) For the purposes of this Section 3, the following terms will have the meaning specified below:

(i) "**Board**" means the board of directors of the Company.

(ii) "**Business**" means the conduct of any activities relating to the cultivation, manufacturing, distribution and dispensing of cannabis and cannabis - derived products in the United States, which include the owning and operating of cannabis licenses.

5. *Continued*

(iii) "**Fair Market Value**" will equal: (i) the volume weighted average trading price (VWAP) of the Shares to be redeemed for the five (5) Trading Day period immediately after the date of the Redemption Notice on the Canadian Securities Exchange or other national or regional securities exchange on which such Shares are listed, or (ii) if no such quotations are available, the fair market value per share of such Shares as set forth in the Valuation Opinion.

(iv) "**Governmental Authority**" or "**Governmental Authorities**" means any United States or foreign, federal, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority).

(v) "**Licenses**" means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority required for, or relating to, the conduct of the Business.

(vi) "**Ownership**" (and derivatives thereof) means (i) ownership of record as evidenced in the Company's share register, (ii) "**beneficial ownership**" as defined in Section 1(1) of the *Business Corporations Act* (Ontario), or (iii) the power to exercise control or direction over a security;

(vii) "**Person**" means an individual, partnership, company, limited liability company, trust or any other entity.

(viii) "**Redemption**" has the meaning ascribed thereto in Section 3.

(ix) "**Redemption Date**" means the date on which the Company will redeem and pay for the Shares pursuant to this Section 3. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.

(x) "**Redemption Notice**" has the meaning ascribed thereto in this Section 3.

(xi) "**Redemption Price**" means the price per Share to be paid by the Company on the Redemption Date for the redemption of Shares pursuant to this Section 3 and will be equal to the Fair Market Value of a Share, unless otherwise required by any Governmental Authority;

5. *Continued*

(xii) "**Shares**" means the Subordinate Voting Shares or the Multiple Voting Shares of the Company.

(xiii) "**Significant Interest**" means ownership of five percent (5%) or more of all of the issued and outstanding shares of the Company.

(xiv) "**Subject Shareholder**" means a person, a group of persons acting in concert or a group of persons who, the Board reasonably believes, are acting jointly or in concert.

(xv) "**Trading Day**" means a day on which trades of the Shares are executed on the Canadian Securities Exchange or any national or regional securities exchange on which the Shares are listed.

(xvi) "**Unsuitable Person**" means:

(1) Any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Shares; or

(2) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, as determined by the Board, in its sole discretion, after consultation with legal counsel and if a license application has been filed, after consultation with the applicable Governmental Authority.

(xvii) "**Valuation Opinion**" means a valuation and fairness opinion from an investment banking firm of nationally recognized standing in Canada (qualified to perform such task and which is disinterested in the contemplated redemption and has not in the then past two years provided services for a fee to the Company or its affiliates) or a disinterested nationally recognized accounting firm.

(b) Subject to Section 3(d), no Subject Shareholder will acquire or dispose of a Significant Interest, directly or indirectly, in one or more transactions, without providing 15 days' advance written notice to the Company by mail sent to the Company's registered office to the attention of the Corporate Secretary.

(c) If the Board reasonably believes that a Subject Shareholder may have failed to comply with the provisions of Section 3(b), the Company may apply to the Ontario Superior Court of Justice, or such other court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares held.

5. *Continued*

(d) The provisions of Sections 3(b) and 3(c) will not apply to the ownership, acquisition or disposition of Shares as a result of:

(e) any transfer of Shares occurring by operation of law including, inter alia, the transfer of Shares of the Company to a trustee in bankruptcy;

(f) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with this Section 3(f); or

(g) the conversion, exchange or exercise of securities of the Company (other than the Shares) duly issued or granted by the Company, into or for Shares, in accordance with their respective terms.

(h) At the option of the Company, Shares owned by an Unsuitable Person may be redeemed by the Company (the "**Redemption**") for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Section 3(h) will be redeemable at any time and from time to time pursuant to the terms hereof.

(i) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Shares to be redeemed on the Redemption Date, (iii) the formula pursuant to which the Redemption Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion (if the Resulting Issuer is no longer listed on the Canadian Securities Exchange or another recognized securities exchange), and (vi) any other requirement of surrender of the Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Shares owned by an Unsuitable Person on the Redemption Date if the Board determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. The Company will send a written notice confirming the amount of the Redemption Price as soon as possible following the determination of such Redemption Price.

(j) The Company may pay the Redemption Price by using its existing cash resources, incurring debt, issuing additional Shares, issuing a promissory note in the name of the Unsuitable Person, or by using a combination of the foregoing sources of funding.

(k) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Redemption Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.

(l) On and after the date the Redemption Notice is delivered, any Unsuitable Person owning Shares called for Redemption will cease to have any voting rights with respect to such Shares and on and after the Redemption Date specified therein, such holder will cease to have any rights whatsoever with respect to such Shares other than the right to receive the Redemption Price, without interest, on the Redemption Date; provided, however, that if any

5. *Continued*

such Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Shares to a liquidating trust, subject to the approval of any applicable Governmental Authority), such persons may exercise voting rights of such Shares and the Board may determine, in its sole discretion, not to redeem such Shares. Following any Redemption in accordance with the terms of this Section, the redeemed Shares will be cancelled.

(m) All notices given by the Company to holders of Shares pursuant to this Section, including the Redemption Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder's registered address as shown on the Company's share register.

(n) The Company's right to redeem Shares pursuant to this Section will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the articles or the bylaws of the Company or otherwise with respect to the acquisition by the Company of Shares or any restrictions on holders thereof.

(o) In connection with the conduct of its Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.

(p) In the event that any provision (or portion of a provision) of this Section 3 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Section (including the remainder of such provision, as applicable) will continue in full force and effect."

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act.*
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions.*

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

LINEAGE GROW COMPANY LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par :

(Signature)
(SIgnature)

Director

(Description of Office)
(Fonction)

EXHIBIT 3
FORM OF RESULTING ISSUER EQUITY INCENTIVE PLAN

EQUITY INCENTIVE PLAN

HARBORSIDE, INC.
(FORMERLY LINEAGE GROW COMPANY LTD.)

SHARE AND INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: <*>, 2019
APPROVED BY THE COMPANY'S SHAREHOLDERS: <*>, 2019

Section 1. Purpose

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and Non-Employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

Section 2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "*Affiliate*" shall mean any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company within the meaning of the Business Corporations Act (Ontario).

(b) "*Award"* shall mean any Option, Share Appreciation Right, Restricted Share, Restricted Share Unit, Performance Award, Dividend Equivalent or Other Share-Based Award granted under the Plan.

(c) *"Award Agreement"* shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium) executed in accordance with the requirements of Section 10(b).

(d) *"Board"* shall mean the Board of Directors of the Company.

(e) *"Code"* shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

(f) *"Committee"* shall mean the Compensation Committee of the Board or such other committee designated by the Board to administer the Plan. The Committee shall be comprised of not less than such number of Directors as shall be required to permit Awards granted under the Plan to qualify under Rule 16b-3, and each member of the Committee shall be a "non-employee director" within the meaning of Rule 16b-3.

(g) *"Company"* shall mean Harborside, Inc. (formerly Lineage Grow Company Ltd.), an Ontario corporation, and any successor corporation.

(h) *"Consultant"* means, in relation to the Company, an individual or a Consultant Company, other than an Employee, Director or Officer of the Company, that:

(i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;

(ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

(i) "*Consultant Company*" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(j) *"CSE"* means the Canadian Securities Exchange.

(k) "*Director*" shall mean a member of the Board.

(l) "*Dividend Equivalent*" shall mean any right granted under Section 6(e) of the Plan.

(m) "*Effective Date*" shall mean the date the Plan is adopted by the Board, as set forth in Section 12.

(n) "*Eligible Person*" shall mean any employee, officer, Non-Employee Director, or Consultant providing services to the Company or any Affiliate, or any such person to whom an offer of employment or engagement with the Company or any Affiliate is extended.

(o) "*Exchange Act*" shall mean the U.S. Securities Exchange Act of 1934, as amended.

(p) "*Fair Market Value*" with respect to one Share as of any date shall mean:

(a) if the Shares are listed on the CSE or any established share exchange, the price of one Share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, if no sale of Shares shall have occurred on such date, on the next preceding date on which there was a sale of Shares. Notwithstanding the foregoing, in the event that the Shares are listed on the CSE, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall not be lower than the greater of the closing of the market price of the Shares on the CSE on (x) the prior trading day, and (y) the date of grant of the Options;

(b) if the Shares are not so listed on the CSE or any established share exchange, the average of the closing "bid" and "ask" prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "ask" prices on such date, on the next preceding date for which there are such quotes for a Share; or

(c) if the Shares are not publicly traded as of such date, the per share value of one Share, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.

(q) "*Incentive Share Option*" shall mean an option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.

(r) "*Non-Employee Director*" shall mean a Director who is not also an employee of the Company or any Affiliate.

(s) "*Non-Qualified Share Option*" shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Share Option.

(t) "*Option*" shall mean an Incentive Share Option or a Non-Qualified Share Option to purchase Shares.

(u) "*Other Share-Based Award*" shall mean any right granted under Section 6(f) of the Plan.

(v) "*Participant*" shall mean an Eligible Person designated to be granted an Award under the Plan.

(w) "*Performance Award*" shall mean any right granted under Section 6(d) of the Plan.

(x) "*Person*" shall mean any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.

(y) "*Plan*" shall mean the Company's Share and Incentive Plan, as amended from time to time.

(z) "*Related Person*" has the meaning ascribed thereto in section 2.22 of National Instrument 45-106 *Prospectus Exempt Distributions*, which includes, without limitation, any director, an executive officer of the Company or of its any Affiliates.

(aa) "*Restricted Share*" shall mean any Share granted under Section 6(c) of the Plan.

(bb) "*Restricted Share Unit*" shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the Fair Market Value of a Share) at some future date, provided that in the case of Participants who are liable to taxation under the Tax Act in respect of amounts payable under this Plan, that such date shall not be later than December 31of the third calendar year following the year services were performed in respect of the corresponding Restricted Share Unit awarded.

(cc) *"Section 409A"* shall mean Section 409A of the Code, or any successor provision, and applicable Treasury Regulations and other applicable guidance thereunder.

(dd) "*Securities Act*" shall mean the U.S. Securities Act of 1933, as amended.

(ee) "*Share*" or "*Shares*" shall mean subordinate voting shares in the capital of the Company (or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan).

(ff) *"Specified Employee"* shall mean a specified employee as defined in Section 409A(a)(2)(B) of the Code or applicable proposed or final regulations under Section 409A, determined in accordance with procedures established by the Company and applied uniformly with respect to all plans maintained by the Company that are subject to Section 409A.

(gg) "*Share Appreciation Right*" shall mean any right granted under Section 6(b) of the Plan.

(hh) "*Tax Act*" means the *Income Tax Act* (Canada).

(ii) "*U.S. Award Holder*" shall mean any holder of an Award who is a "U.S. person" (as defined in Rule 902(k) of Regulation S under the Securities Act) or who is holding or exercising Awards in the United States.

Section 3. Administration

(a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or the method by which payments or other rights are to be calculated in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement, including any terms relating to the forfeiture of any Award and the forfeiture, recapture or disgorgement of any cash, Shares or other amounts payable with respect to any Award; (v) amend the terms and conditions of any Award or Award Agreement, subject to the limitations under Section 7; (vi) accelerate the exercisability of any Award or the lapse of any restrictions relating to any Award, subject to the limitations in Section 7, (vii) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Awards or other property (excluding promissory notes), or canceled, forfeited or suspended, subject to the limitations in Section 7; (viii) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee, subject to the requirements of Section 409A; (ix) interpret and administer the Plan and any instrument or agreement, including an Award Agreement, relating to the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and (xii) adopt such modifications, rules, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of the jurisdictions in which the Company or an Affiliate may operate, including, without

limitation, establishing any special rules for Affiliates, Eligible Persons or Participants located in any particular country, in order to meet the objectives of the Plan and to ensure the viability of the intended benefits of Awards granted to Participants located in such non-United States jurisdictions. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.

(b) Delegation. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion, the authority to grant Awards; *provided, however*, that the Committee shall not delegate such authority in such a manner as would cause the Plan not to comply with applicable exchange rules or applicable corporate law.

(c) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, (i) the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of all applicable securities rules and (ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of any applicable securities exchange where the Shares are then listed) may grant Awards to Directors who are not also employees of the Company or an Affiliate.

(d) Indemnification. To the full extent permitted by law, (i) no member of the Board, the Committee or any person to whom the Committee delegates authority under the Plan shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award made under the Plan, and (ii) the members of the Board, the Committee and each person to whom the Committee delegates authority under the Plan shall be entitled to indemnification by the Company with regard to such actions and determinations. The provisions of this paragraph shall be in addition to such other rights of indemnification as a member of the Board, the Committee or any other person may have by virtue of such person's position with the Company.

Section 4. Shares Available for Awards

(a) Shares Available. Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall be the number of Shares as determined by the Board from time to time. Notwithstanding the foregoing, the aggregate number of Shares that may be issued pursuant to awards of Incentive Share Options shall not exceed <*> Shares. The aggregate number of Shares that may be issued under all Awards under the Plan shall be reduced by Shares subject to Awards issued under the Plan in accordance with the Share counting rules described in Section 4(b) below.

(b) Counting Shares. For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan.

(i) Shares Added Back to Reserve. If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company (including any Shares withheld by the Company or Shares tendered to satisfy any tax withholding obligation on Awards or Shares covered by an Award that are settled in cash), or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan.

(ii) Cash-Only Awards. Awards that do not entitle the holder thereof to receive or purchase Shares shall not be counted against the aggregate number of Shares available for Awards under the Plan.

(iii) Substitute Awards Relating to Acquired Entities. Shares issued under Awards granted in substitution for awards previously granted by an entity that is acquired by or merged with

the Company or an Affiliate shall not be counted against the aggregate number of Shares available for Awards under the Plan.

(c) Adjustments. In the event that any dividend (other than a regular cash dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards, (iii) the purchase price or exercise price with respect to any Award and (iv) the limitations contained in Section 4(d) below; *provided*, *however*, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number. Such adjustment shall be made by the Committee or the Board, whose determination in that respect shall be final, binding and conclusive.

(d) Additional Award Limitations. The aggregate number of Shares issuable to Related Persons pursuant to Awards granted and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Related Persons pursuant to Awards and all other security based compensation arrangements, within a one-year period, shall not exceed 10% of the total number of Shares then outstanding. The total number of Shares which may be issued or issuable to any one Person under the Plan and all other security based compensation arrangements within any one-year period shall not exceed 5% of the Shares then outstanding. So long as the Company is listed on the CSE, the aggregate number of Shares issued or issuable to persons providing investor relations activities (as defined in CSE policies) as compensation within a one-year period, shall not exceed 1% of the total number of Shares then outstanding. For the purposes of this Section, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Award. Under this Plan "security based compensation arrangements" shall mean any compensation or incentive mechanism (such as option plans, restricted share plans, share purchase plans) involving the issuance or potential issuances of securities of the Company from treasury.

Section 5. Eligibility

Any Eligible Person shall be eligible to be designated as a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company and/or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Share Option may only be granted to full-time or part-time employees (which term, as used herein, includes, without limitation, officers and Directors who are also employees), and an Incentive Share Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code or any successor provision.

Section 6. Awards

(a) Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine:

(i) Exercise Price. The purchase price per Share purchasable under an Option shall be determined by the Committee and shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option; *provided, however,* that the Committee may designate a purchase price below Fair Market Value on the date of grant if the Option is granted in substitution for a share option previously granted by an entity that is acquired by or merged with the Company or an Affiliate.

(ii) Option Term. The term of each Option shall be fixed by the Committee at the date of grant but shall not be longer than 10 years from the date of grant. Notwithstanding the foregoing,

in the event that the expiry date of an Option falls within a trading blackout period imposed by the Company (a "**Blackout Period**"), and neither the Company nor the individual in possession of the Options is subject to a cease trade order in respect of the Company's securities, then the expiry date of such Option shall be automatically extended to the 10th business day following the end of the Blackout Period. With respect to a U.S. Award Holder, the application of the Blackout Period shall be made in the Company's sole discretion in accordance with the Code and Section 409A thereof.

(iii) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereto may be made or deemed to have been made.

(A) Promissory Notes. Notwithstanding the foregoing, the Committee may not permit payment of the exercise price, either in whole or in part, with a promissory note.

(B) Net Exercises. The Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number of Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Shares underlying the Option being exercised on the date of exercise, over the exercise price of the Option for such Shares.

(iv) Incentive Share Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of share options which are intended to qualify as Incentive Share Options:

(A) The Committee will not grant Incentive Share Options in which the aggregate Fair Market Value (determined as of the time the Option is granted) of the Shares with respect to which Incentive Share Options are exercisable for the first time by any Participant during any calendar year (under this Plan and all other plans of the Company and its Affiliates) shall exceed $100,000.

(B) All Incentive Share Options must be granted within ten years from the earlier of the date on which this Plan was adopted by the Committee or the date this Plan was approved by the shareholders of the Company.

(C) Unless sooner exercised, all Incentive Share Options shall expire and no longer be exercisable no later than 10 years after the date of grant; *provided*, *however*, that in the case of a grant of an Incentive Share Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) share possessing more than 10% of the total combined voting power of all classes of share of the Company or of its Affiliates, such Incentive Share Option shall expire and no longer be exercisable no later than five years from the date of grant.

(D) The purchase price per Share for an Incentive Share Option shall be not less than 100% of the Fair Market Value of a Share on the date of grant of the Incentive Share Option; *provided*, *however*, that, in the case of the grant of an Incentive Share Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) share possessing more than 10% of the total combined voting power of all classes of share of the Company or of its Affiliates, the purchase price per Share purchasable under an Incentive Share Option shall be not less than 110% of the Fair Market Value of a Share on the date of grant of the Incentive Share Option.

(E) Any Incentive Share Option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the Option as an Incentive Share Option.

(b) Share Appreciation Rights. The Committee is hereby authorized to grant Share Appreciation Rights to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Share Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the Share Appreciation Right as specified by the Committee, which price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Share Appreciation Right; *provided, however*, that, subject to applicable law and share exchange rules, the Committee may designate a grant price below Fair Market Value on the date of grant if the Share Appreciation Right is granted in substitution for a share appreciation right previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Subject to the terms of the Plan and any applicable Award Agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Share Appreciation Right shall be as determined by the Committee (except that the term of each Share Appreciation Right shall be subject to the same limitations in Section 6(a)(ii) applicable to Options). The Committee may impose such conditions or restrictions on the exercise of any Share Appreciation Right as it may deem appropriate.

(c) Restricted Share and Restricted Share Units. The Committee is hereby authorized to grant an Award of Restricted Share and Restricted Share Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) Restrictions. Shares of Restricted Share and Restricted Share Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Share or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Committee may deem appropriate. Notwithstanding the foregoing, rights to dividend or Dividend Equivalent payments shall be subject to the limitations described in Section 6(e).

(ii) Issuance and Delivery of Shares. Any Restricted Share granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a share certificate or certificates, which certificate or certificates shall be held by the Company or held in nominee name by the share transfer agent or brokerage service selected by the Company to provide such services for the Plan. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Share. Shares representing Restricted Share that are no longer subject to restrictions shall be delivered (including by updating the book-entry registration) to the Participant promptly after the applicable restrictions lapse or are waived. In the case of Restricted Share Units, no Shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Share Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holder of the Restricted Share Units.

(iii) Forfeiture. Except as otherwise determined by the Committee or as provided in an Award Agreement, upon a Participant's termination of employment or service or resignation or removal as a Director (in either case, as determined under criteria established by the Committee) during the applicable restriction period, all Shares of Restricted Share and all Restricted Share Units held by such Participant at such time shall be forfeited and reacquired by the Company for cancellation at no cost to the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to Shares of Restricted Share or Restricted Share Units.

(d) Performance Awards. The Committee is hereby authorized to grant Performance Awards to Eligible Persons. A Performance Award granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Share and Restricted Share Units), other securities, other Awards or other property and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Committee.

(e) Dividend Equivalents. The Committee is hereby authorized to grant Dividend Equivalents to Eligible Persons under which the Participant shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Committee shall determine. Notwithstanding the foregoing, (i) the Committee may not grant Dividend Equivalents to Eligible Persons in connection with grants of Options, Share Appreciation Rights or other Awards the value of which is based solely on an increase in the value of the Shares after the date of grant of such Award, and (ii) dividend and Dividend Equivalent amounts may be accrued but shall not be paid unless and until the date on which all conditions or restrictions relating to such Award have been satisfied, waived or lapsed.

(f) Other Share-Based Awards. The Committee is hereby authorized to grant to Eligible Persons such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purpose of the Plan. The Committee shall determine the terms and conditions of such Awards, subject to the terms of the Plan and any applicable Award Agreement. No Award issued under this Section 6(f) shall contain a purchase right or an option-like exercise feature.

(g) General Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.

(ii) Limits on Transfer of Awards. Except as otherwise provided by the Committee in its discretion and subject to such additional terms and conditions as it determines, no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. Where the Committee does permit the transfer of an Award other than a fully vested and unrestricted Share, such permitted transfer shall be for no value and in accordance with all applicable securities rules. The Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death.

(iii) Restrictions; Securities Exchange Listing. All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Shares or other securities to reflect such restrictions. The Company shall not be required to deliver any Shares or other securities covered by an Award unless and until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(iv) Prohibition on Option and Share Appreciation Right Repricing. Except as provided in Section 4(c) hereof, the Committee may not, without prior approval of the Company's shareholders and applicable share exchange approval, seek to effect any repricing of any previously granted, "underwater" Option or Share Appreciation Right by: (i) amending or modifying the terms of the Option or Share Appreciation Right to lower the exercise price; (ii) canceling the underwater Option or Share Appreciation Right and granting either (A) replacement Options or Share Appreciation Rights having a lower exercise price; or (B) Restricted Share, Restricted Share Units, Performance Award or Other Share-Based Award in exchange; or (iii) cancelling or repurchasing the underwater Option or Share Appreciation Right for cash or other securities. An Option or Share Appreciation Right will be deemed to be "underwater" at any time when the Fair Market Value of the Shares covered by such Award is less than the exercise price of the Award.

(v) Section 409A Provisions. Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a change in control or due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control event, disability or separation from service meet the definition of a change in control event, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a Specified Employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the Specified Employee's separation from service (or if earlier, upon the Specified Employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise.

(vi) Acceleration of Vesting or Exercisability. No Award Agreement shall accelerate the exercisability of any Award or the lapse of restrictions relating to any Award in connection with a change-in-control event, unless such acceleration occurs upon the consummation of (or effective immediately prior to the consummation of, *provided that* the consummation subsequently occurs) such change-in-control event.

Section 7. Amendment and Termination; Corrections

(a) Amendments to the Plan and Awards. The Committee may from time to time amend, suspend or terminate this Plan, and the Committee may amend the terms of any previously granted Award, *provided that* no amendment to the terms of any previously granted Award may (except as expressly provided in the Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under this Plan without the written consent of the Participant or holder thereof. Any amendment to this Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or share exchange. For greater certainty and without limiting the foregoing, the Committee may amend, suspend, terminate or discontinue the Plan, and the Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders of the Company in order to:

(i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Plan;

(ii) amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the vesting, expiry,

assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively;

(iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or share exchange (including amendments to Awards necessary or desirable to avoid any adverse tax results under Section 409A), and no action taken to comply shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof; or

(iv) amend any terms relating to the administration of the Plan, including the terms of any administrative guidelines or other rules related to the Plan.

Notwithstanding the foregoing and for greater certainty, prior approval of the shareholders of the Company shall be required for any amendment to the Plan or an Award that would:

(i) require shareholder approval under the rules or regulations of securities exchange that is applicable to the Company;

(ii) permit repricing of Options or Share Appreciation Rights, which is currently prohibited by Section 6(g)(iv) of the Plan;

(iii) permit the award of Options or Share Appreciation Rights at a price less than 100% of the Fair Market Value of a Share on the date of grant of such Option or Share Appreciation Right, contrary to the provisions of Section 6(a)(i) and Section 6(b) of the Plan;

(iv) permit Options to be transferable other than for normal estate settlement purposes;

(v) amend this Section 7(a); or

(vi) increase the maximum term permitted for Options and Share Appreciation Rights as specified in Section 6(a) and Section 6(b) or extend the terms of any Options beyond their original expiry date.

(b) Corporate Transactions. In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Shares or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement to undergo such a transaction or event), the Committee or the Board may, in its sole discretion, provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, *provided that* the consummation of the event subsequently occurs), and no action taken under this Section 7(b) shall be deemed to impair or otherwise adversely alter the rights of any holder of an Award or beneficiary thereof:

(i) either (A) termination of the Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights (and, for the avoidance of doubt, if, as of the date of the occurrence of the transaction or event described in this Section 7(b)(i)(A), the Committee or the Board determines in good faith that no amount would have been attained upon the exercise of the Award or realization of the Participant's rights, then the Award may be terminated by the Company without any payment) or (B) the replacement of the Award with other rights or property selected by the Committee or the Board, in its sole discretion;

(ii) that the Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the share of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iii) that, subject to Section 6(g)(vi), the Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the applicable Award Agreement; or

(iv) that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.

(c) Correction of Defects, Omissions and Inconsistencies. The Committee may, without prior approval of the shareholders of the Company, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

Section 8. Income Tax Withholding

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. Without limiting the foregoing, in order to assist a Participant in paying all or a portion of the applicable taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes (subject to any applicable limitations under ASC Topic 718 to avoid adverse accounting treatment) or (b) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

Section 9. U.S. Securities Laws

Neither the Awards nor the securities which may be acquired pursuant to the exercise of the Awards have been registered under the Securities Act or under any securities law of any state of the United States of America and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act and any Shares shall be affixed with an applicable restrictive legend as set forth in the Award Agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Award Holder not being able to dispose of any Shares issued on exercise of Awards for a considerable length of time. Each U.S. Award Holder or anyone who becomes a U.S. Award Holder, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the Securities Act or the securities laws of any state of the United States will be required to complete an Award Agreement which sets out the applicable United States restrictions.

Section 10. General Provisions

(a) No Rights to Awards. No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

(b) Award Agreements. No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement shall have been signed by the Participant (if requested by the Company), or until such Award Agreement is delivered and accepted through an electronic medium in accordance with procedures established by the Company. An Award Agreement need not be signed by a representative of the Company unless required by the Committee. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.

(c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.

(d) No Rights of Shareholders. Except with respect to Shares issued under Awards (and subject to such conditions as the Committee may impose on such Awards pursuant to Section 6(c)(i) or Section 6(e)), neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable upon the exercise or payment of any Award, in whole or in part, unless and until such Shares have been issued.

(e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.

(f) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause, in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.

(g) Governing Law. The internal law, and not the law of conflicts, of British Columbia shall govern all questions concerning the validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award.

(h) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.

(i) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(j) Other Benefits. No compensation or benefit awarded to or realized by any Participant under the Plan shall be included for the purpose of computing such Participant's compensation or benefits under any pension, retirement, savings, profit sharing, group insurance, disability, severance, termination pay, welfare or other benefit plan of the Company, unless required by law or otherwise provided by such other plan.

(k) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Share or whether such fractional Share or any rights thereto shall be canceled, terminated or otherwise eliminated.

(l) Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 11. Clawback or Recoupment

All Awards under this Plan shall be subject to recovery or other penalties pursuant to (i) any Company clawback policy, as may be adopted or amended from time to time, or (ii) any applicable law, rule or regulation or applicable share exchange rule.

Section 12. Effective Date of the Plan

The Plan was adopted by the Committee on **[<*>, 2019]**. The Plan shall be subject to approval by the shareholders of the Company which approval will be within 12 months after the date the Plan is adopted by the Committee.

Section 13. Term of the Plan

No Award shall be granted under the Plan, and the Plan shall terminate, on the earlier of (i) **[BOARD ADOPTION DATE]** or the tenth anniversary of the date the Plan is approved by the shareholders of the Company, or any earlier date of discontinuation or termination established pursuant to Section 7(a) of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such dates, and the authority of the Committee provided for hereunder with respect to the Plan and any Awards, and the authority of the Committee to amend the Plan, shall extend beyond the termination of the Plan.

EXHIBIT 4
FORM OF NEW BY-LAW NO. 2

BY-LAW NO. 2

A by-law relating generally to the
transaction of the business and affairs of
LINEAGE GROW COMPANY LTD.
(the "**Corporation**")

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BY-LAW NO. 2

A by-law relating generally to the
transaction of the business and affairs of
LINEAGE GROW COMPANY LTD.
(herein called the "Corporation")

BE IT PASSED AND MADE as a by-law of the Corporation as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this by-law, unless there is something in the subject matter or context inconsistent therewith,

(i) "Act" means the *Business Corporations Act* (Ontario), as amended or re-enacted from time to time, and includes the regulations made pursuant thereto;

(ii) "affiliate" means an affiliated body corporate, and one body corporate shall be deemed to be affiliated with another body corporate if, but only if, one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person;

(iii) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization, articles of revival, letters patent, supplementary letters patent, a special Act and any other instrument by which the Corporation is incorporated;

(iv) "auditor" means the auditor of the Corporation;

(v) "board" means the board of directors of the Corporation;

(vi) "by-law" means a by-law of the Corporation;

(vii) "Chairman of the Board", "Chief Executive Officer", "Chief Financial Officer", "President", "Vice-President, "Secretary", "Treasurer", "General Manager", "Assistant Secretary", "Assistant Treasurer" or any other officer means such officer of the Corporation, but shall not include the Chairman Emeritus;

(viii) "committee" means a committee appointed pursuant to section 6.1 of this by-law;

(ix) "director" means a director of the Corporation;

(x) "day" means a clear day and a period of days shall be deemed to commence the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a Saturday, Sunday or holiday the period shall terminate at midnight of the day next following that is not a Saturday, Sunday or holiday;

(xi) "employee" means an employee of the Corporation;

(xii) "number of directors" means the number of directors set out in the articles or, where a minimum and maximum number of directors is set out in the articles, the number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors;

(xiii) "officer" means an officer of the Corporation;

(xiv) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

(xv) "resident Canadian" means an individual who is,

(A) a Canadian citizen ordinarily resident in Canada,

(B) a Canadian citizen not ordinarily resident in Canada who is a member of a class of persons prescribed by the Act for the purposes of the definition of "resident Canadian", or

(C) a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada) and ordinarily resident in Canada, except a permanent resident who has been ordinarily resident in Canada for more than one year after the time at which he first became eligible to apply for Canadian citizenship;

(xvi) "shareholder" means a shareholder of the Corporation;

(xvii) "special resolution" means a resolution that is

(A) submitted to a special meeting of the shareholders of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at such meeting by at least two-thirds of the votes cast, or

(B) consented to in writing by each shareholder of the Corporation entitled to vote at such a meeting or his or her attorney authorized in writing;

(xviii) "subsidiary" means in relation to another body corporate, a body corporate which

(A) is controlled by

(1) that other, or

(2) that other and one or more bodies corporate each of which is controlled by that other, or

(3) two or more bodies corporate each of which is controlled by that other; or

(B) is a subsidiary of a body corporate that is that other's subsidiary;

subject to the foregoing, the words and expressions herein contained shall have the same meaning as corresponding words and expressions in the Act.

1.2 **Interpretation**

In each by-law and resolution, unless there is something in the subject matter or context inconsistent therewith, the singular shall include the plural and the plural shall include the singular and the masculine shall include the feminine. Wherever reference is made in this or any other by-law or in any special resolution to any statute or section thereof, such reference shall be deemed to extend and refer to any amendment to or re-enactment of such statute or section, as the case may be.

1.3 **Headings and Table of Contents**

The headings and table of contents in this by-law are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions of this by-law.

ARTICLE 2 - GENERAL

2.1 **Registered Office**

The Corporation may by resolution of the directors change the location of its registered office within the municipality or geographic township specified in the articles.

2.2 **Corporate Seal**

The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the directors.

2.3 **Financial Year**

The directors may by resolution fix the financial year end of the Corporation and the directors may from time to time by resolution change the financial year end of the Corporation.

2.4 **Execution of Documents**

(a) Instruments in writing requiring execution by the Corporation may be signed on behalf of the Corporation by any officer or director of the Corporation, and all instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board may from time to time by resolution appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments in writing.

(b) The corporate seal of the Corporation (if any) may be affixed to instruments in writing signed as aforesaid by any person authorized to sign the same or at the direction of any such person.

(c) The term "instruments in writing" as used herein shall include deeds, contracts, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money, conveyances, transfers and assignments of shares, instruments of proxy, powers of attorney, stocks, bonds, debentures or other securities or any paper writings.

(d) Subject to the provisions of section 13.5 hereof, the signature or signatures of an officer or director, person or persons appointed as aforesaid by resolution of the directors, may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all instruments in writing executed or issued by or on behalf of the Corporation and all instruments in writing on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced

may have ceased to hold office at the date of the delivery or issue of such instruments in writing.

2.5 **Resolutions in Writing**

(a) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or such committee of directors.

(b) A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or representations in writing are submitted by the auditor in accordance with the Act.

(c) Where the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

2.6 **Divisions**

The board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the board may consider appropriate in each case. From time to time the board or any person authorized by the board may authorize, upon such basis as may be considered appropriate in each case:

(i) the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions or sub-units;

(ii) the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation; and

(iii) the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any such officer so appointed without prejudice to such officer's rights under any employment contract or in law, provided that any such officer shall not, as such, be an officer of the Corporation.

ARTICLE 3 - DIRECTORS

3.1 General

The directors shall manage or supervise the management of the business and affairs of the Corporation.

3.2 Qualification

(a) The following persons are disqualified from being a director:

(i) a person who is less than eighteen (18) years of age,

(ii) a person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere,

(iii) a person who is not an individual, and

(iv) a person who has the status of bankrupt.

(b) Unless the articles otherwise provide, a director is not required to hold shares issued by the Corporation.

(c) Unless the Corporation is a non-resident corporation, not less than 25% of the directors shall be resident Canadians, but where the Corporation has less than four directors, at least one director shall be a resident Canadian.

3.3 Election

Subject to the provisions of the Act the directors shall be elected at the first meeting of shareholders and at each succeeding annual meeting of the shareholders.

3.4 Fixing Number of Directors

If the articles provide for a minimum and maximum number of directors, the number of directors of the Corporation and the number of directors to be elected at the annual meeting of the shareholders shall be such number as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors.

3.5 Term of Office

Subject to the provisions of the articles, the term of office of a director not elected for an expressly stated term shall commence at the close of the meeting of shareholders at which he is elected and shall terminate at the close of the first annual meeting of shareholders following his

or her election. If an election of directors is not held at the proper time the incumbent directors continue in office until their successors are elected.

3.6 **Ceasing to Hold Office**

A director ceases to hold office when:

(i) he or she dies or, subject to section 3.7 of this bylaw, he resigns;

(ii) he or she is removed from office in accordance with the provisions of the Act or the by-laws; or

(iii) he or she becomes disqualified from being a director under the Act or by-laws.

3.7 **Resignation of a Director**

A director may resign his or her office as a director by giving to the Corporation his or her written resignation, which resignation shall become effective at the later of:

(i) the time at which such resignation is received by the Corporation, or

(ii) the time specified in the resignation.

3.8 **Removal**

Subject to the provisions of the Act, the shareholders may by resolution at an annual or special meeting of shareholders remove any director or directors from office and may by resolution at such meeting elect any person to fill the vacancy created by the removal of such director, failing which the vacancy created by the removal of such director may be filled by the directors.

3.9 **Vacancies**

(a) Subject to the provisions of the Act, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from:

(i) an increase in the number of directors or in the maximum number of directors, as the case may be, or

(ii) a failure to elect the number of directors required to be elected at any meeting of shareholders.

(b) A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

(c) If there is not a quorum of directors, or if there has been a failure to elect the number of directors required by the articles or by section 3.4 hereof, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

(d) Subject to the articles or by-laws, where there is a vacancy or vacancies on the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.10 **Remuneration**

Subject to the articles and the by-laws, the directors may fix the remuneration of the directors, officers and employees of the Corporation.

3.11 **Power to Borrow**

Unless the articles or by-laws otherwise provide, the directors may without authorization of the shareholders from time to time

(i) borrow money upon the credit of the Corporation;

(ii) issue, reissue, sell or pledge debt obligations of the Corporation;

(iii) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation.

3.12 **Delegation of Power to Borrow**

Unless the articles or by-laws otherwise provide, the directors may by resolution delegate any or all of the powers referred to in section 3.11 of this by-law to a director, a committee or an officer.

ARTICLE 4 - NOMINATION OF DIRECTORS

4.1 **Nomination Procedure**

Only persons who are nominated in accordance with the procedures set out in this section 4.1 shall be eligible for election as directors to the board. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of

shareholders called for any purpose which includes the election of directors to the board, as follows:

(a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of a meeting of shareholders made in accordance with the provisions of the Act; or

(c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who: (A) is, at the close of business on the date of giving notice provided for in section 4.3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this section 4.1.

4.2 **Exclusive Means to Bring Nomination**

For the avoidance of doubt, the foregoing section 4.1 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders.

4.3 **Timely Notice**

For a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the Secretary at the registered office of the Corporation:

(a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date of the meeting: provided, however, if the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Corporation; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

4.4 **Time Period for Giving Timely Notice**

The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

4.5 **Form of Notice**

To be in proper written form, a Nominating Shareholder's notice to the Secretary must comply with all the provisions of this section 4.5 and:

(a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):

(i) their name, age, business and residential address, principal occupation or employment for the past five years and status as a resident Canadian;

(ii) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;

(iii) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between (i) the Proposed Nominee (or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee), and (ii) the Nominating Shareholder;

(iv) a statement that the Proposed Nominee would not be disqualified from being a director pursuant to subsection 105(1) of the Act;

(v) a statement as to whether the Proposed Nominee would be an "independent" director (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected and the reasons and basis for such determination;

(vi) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law;

(vii) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the principal stock exchange on which the securities of the Corporation are then listed for trading; and

(b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:

(i) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;

(ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;

(iii) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;

(iv) any direct or indirect interest of such person in any contract with the Corporation or with any of the Corporation's affiliates or principal competitors;

(v) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

(vi) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder in connection with such nomination or otherwise solicit proxies or votes from shareholders in support of such nomination; and

(vii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

4.6 **Currency of Information**

All information to be provided in a Timely Notice pursuant to section 4.5 shall be provided as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.

4.7 **Corporate Governance**

To be eligible to be a candidate for election as a director and to be duly nominated, a Proposed Nominee must have previously delivered to the Secretary at the registered office of the Corporation, not less than five days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Corporation) that the Proposed Nominee, if elected as a director, will comply with all applicable corporate governance, conflict of interest, confidentiality and insider trading policies and guidelines of the Corporation in effect during the Proposed Nominee's term in office as a director. Upon the request of a Proposed Nominee or a Nominating Shareholder, the Secretary shall provide copies of all such policies and guidelines then in effect.

4.8 **Additional Information**

If requested by the Corporation, a Proposed Nominee shall furnish any other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation or a member of any committee, with respect to any relevant criteria for eligibility, or that could be material to a shareholder's understanding of the eligibility, or lack thereof, of such Proposed Nominee.

4.9 **Notice**

Notwithstanding any other provision of this by-law, any notice, or other document or information required to be given to the Secretary pursuant to this Article 4 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the registered office of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

4.10 **Additional Matters**

(a) The chair of any meeting of shareholders shall have the power to determine whether any proposed nomination is made in accordance with the provisions of

this Article 4, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.

(b) Despite any other provision of this Article 4, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear in person at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(c) Nothing in this Article 4 shall obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.

(d) The board may, in its sole discretion, waive any requirement of this Article 4.

(e) For the purposes of this Article 4:

(i) "public announcement" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(ii) "business day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of Toronto, Ontario.

(f) This Article 4 is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this Article 4, the provision of the Act or the articles will govern.

ARTICLE 5 - ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS

5.1 Business to be Transacted

No business may be transacted at an annual or special meeting of shareholders other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the board, (ii) otherwise properly brought before the meeting by or at the direction of the board, or (iii) otherwise properly brought before the meeting by any shareholder of the Corporation who complies with the proposal procedures set forth in section 5.2 below.

5.2 **Proposal**

For business to be properly brought before a meeting by a shareholder, such shareholder must submit a proposal to the Corporation for inclusion in the Corporation's management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Article 4.

ARTICLE 6 - COMMITTEES

6.1 **Appointment**

Subject to the Act, the articles or the by-laws, the directors may appoint from their number one or more committees and may by resolution delegate to any such committee any of the powers of the directors.

6.2 **Provisions Applicable**

The following provisions shall apply to any committee appointed by the directors:

(i) unless otherwise provided by resolution of the directors, each member of a committee shall continue to be a member thereof until the expiration of his or her term of office as a director;

(ii) the directors may from time to time by resolution specify which member of a committee shall be the chairman thereof and, subject to the provisions of section 6.1 of this by-law, may by resolution modify, dissolve or reconstitute a committee and make such regulations with respect to and impose such restrictions upon the exercise of the powers of a committee as the directors think expedient;

(iii) the meetings and proceedings of a committee shall be governed by the provisions of the by-laws of the Corporation for regulating the meetings and proceedings of the board so far as the same are applicable thereto and are not superseded by any regulations or restrictions made or imposed by the directors pursuant to the foregoing provisions hereof;

(iv) the members of a committee as such shall be entitled to such remuneration for their services as members of a committee as may be fixed by resolution of the directors, who are hereby authorized to fix such remuneration;

(v) unless otherwise provided by resolution of the board, the Secretary of the Corporation shall be the secretary of any committee;

(vi) subject to the provisions of section 6.1 of this by-law, the directors shall fill vacancies in a committee by appointment from among their number; and

(vii) unless otherwise provided by resolution of the board, meetings of a committee may be convened by the direction of any member thereof.

ARTICLE 7 - MEETINGS OF DIRECTORS

7.1 Place of Meetings

Meetings of the board and of any committee may be held at any place within or outside Ontario. In any financial year of the Corporation, a majority of the meetings of the board and a majority of the meetings of any committee need not be held within Canada.

7.2 Calling of Meetings

A meeting of the board may be called at any time by the Chairman of the Board, the President (if he is a director), a Vice-President (if he is a director) or any two of the directors and the Secretary shall cause notice of a meeting of directors to be given when so directed by any such person or persons.

7.3 Notice of Meetings

(a) Notice of any meeting of the board specifying the time and, except where the meeting is to be held as provided for in section 7.6 of this by-law, the place for the holding of such meeting shall be given in accordance with the terms of section 17.1 hereof to every director not less than two days before the date of the meeting.

(b) Notice of an adjourned meeting of the board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.

(c) Meetings of the board may be held at any time without formal notice if all the directors are present or if all the directors who are not present, in writing or by cable, telegram or any form of transmitted or recorded communication, waive notice or signify their consent to the meeting being held without formal notice. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director either before or after such meeting. Attendance of a director at a meeting of the board is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

7.4 Regular Meetings

The board may by resolution fix a day or days in any month or months for the holding of regular meetings at a time and place specified in such resolution. A copy of any resolution of the board specifying the time and place for the holding of regular meetings of the board shall be sent

to each director at least two days before the first of such regular meetings and no other notice shall be required for any of such regular meetings.

7.5 **First Meeting of New Board**

For the first meeting of the board to be held immediately following the election of directors at an annual or other meeting of the shareholders or for a meeting of the board at which a director is appointed to fill a vacancy in the board, no notice need be given to the newly elected or appointed director or directors.

7.6 **Participation by Telephone**

If all the directors present at or participating in the meeting consent, a meeting of the board or of a committee may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present in person at that meeting for the purposes of the Act and this by-law.

7.7 **Chairman**

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and who is present at the meeting: Chairman of the Board, President or a Vice-President. If no such officer is present, the directors present shall choose one of their number to be chairman.

7.8 **Quorum**

(a) Subject to the articles and subsection 7.8(b) of this by-law, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of the board, but in no case shall a quorum be less than two-fifths of the number of directors or minimum number of directors, as the case may be.

(b) Where the Corporation has fewer than three directors, the director or both directors, as the case may be, must be present at any meeting of the board to constitute a quorum.

(c) Directors shall not transact business at a meeting of directors unless a quorum of the board is present.

7.9 **Voting**

All questions arising at any meeting of the board shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall not have, in addition to his or her original vote, a second or casting vote.

7.10 **Auditor**

The auditor shall be entitled to attend at the expense of the Corporation and be heard at meetings of the board on matters relating to his or her duties as auditor.

ARTICLE 8 - STANDARD OF CARE OF DIRECTORS AND OFFICERS

8.1 **Standard of Care**

Every director and officer in exercising his or her powers and discharging his or her duties shall:

(i) act honestly and in good faith with a view to the best interests of the Corporation; and

(ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

8.2 **Liability for Acts of Others**

Subject to the provisions of section 8.1 of this by-law, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipts or acts for conformity or for any loss, damage, or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects of the Corporation shall be lodged or deposited or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless the same are occasioned by his or her own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

ARTICLE 9 - FOR THE PROTECTION OF DIRECTORS AND OFFICERS

9.1 Indemnification by Corporation

(a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, or another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(b) The Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in subsection 9.1(a) of this by-law, but the individual shall repay the money to the Corporation if the individual does not fulfil the conditions set out in subsection 9.1(c) of this by-law.

(c) The Corporation shall not indemnify an individual identified in subsection 9.1(a) of this by-law unless:

(i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

(d) The Corporation shall, subject to the approval of the Ontario Superior Court of Justice, indemnify an individual referred to in subsection 9.1(a) of this by-law, or advance moneys under subsection 9.1(b) of this by-law, in respect of an action by or on behalf of the Corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in subsection 9.1(a) of this by-law, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in clauses 9.1(c)(i) and 9.1(c)(ii) of this by-law.

(e) Notwithstanding anything in this Article, an individual referred to in subsection 9.1(a) of this by-law is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is made a party because of the individual's

association with the Corporation or other entity as described in subsection 9.1(a) of this by-law, if the individual seeking the indemnity:

(i) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and

(ii) fulfils the conditions set out in clauses 9.1(c)(i) and 9.1(c)(ii) of this by-law.

(f) The Corporation shall also indemnify an individual referred to in subsection 9.1(a) of this by-law in such other circumstances as the Act or the law permits or requires. Nothing in these by-laws shall limit the right of any person entitled to claim indemnity apart from the provisions of these by-laws.

(g) The Corporation may from time to time enter into agreements pursuant to which the Corporation agrees to indemnify one or more persons in accordance with the provisions of this section.

9.2 **Insurance**

The Corporation may, from time to time as the Board may determine, purchase and maintain insurance for the benefit of an individual referred to in subsection 9.1(a) of this by-law against any liability incurred by the individual:

(i) in the individual's capacity as a director or officer of the Corporation; or

(ii) in the individual's his or her capacity as a director or officer, or a similar capacity, of another entity, of the individual acts or acted in that capacity at the Corporation's request.

9.3 **Directors' Expenses**

The directors shall be reimbursed for their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties and no confirmation by the shareholders of any such reimbursement shall be required.

9.4 **Performance of Services for Corporation**

Subject to Article 8 of this by-law, if any director or officer shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his or her being a director or officer shall not

disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

ARTICLE 10 - INTEREST OF DIRECTORS AND OFFICERS IN CONTRACTS

10.1 Disclosure of Interest

A director or officer who:

(i) is a party to a material contract or transaction or proposed material contract or transaction with the Corporation; or

(ii) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation,

shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest.

10.2 Time of Disclosure by Director

The disclosure required by section 10.1 of this by-law shall be made, in the case of a director:

(i) at the meeting at which a proposed contract or transaction is first considered;

(ii) if the director was not then interested in a proposed contract or transaction, at the first meeting after he becomes so interested;

(iii) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or

(iv) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he becomes a director.

10.3 Time of Disclosure by Officer

The disclosure required by section 10.1 of this by-law shall be made, in the case of an officer who is not a director:

(i) forthwith after he becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of directors;

(ii) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he becomes so interested; or

(iii) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he becomes an officer.

10.4 **Time of Disclosure in Extraordinary Cases**

Notwithstanding sections 10.2 and 10.3 of this by-law, where section 10.1 of this by-law applies to a director or officer in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the Corporation's business, would not require approval by the directors or shareholders, the director or officer shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.

10.5 **Voting by Interested Director**

A director referred to in section 10.1 of this by-law shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is:

(i) one relating primarily to his or her remuneration as a director of the Corporation or an affiliate;

(ii) one for indemnity or insurance pursuant to the provisions of the Act; or

(iii) one with an affiliate.

10.6 **Nature of Disclosure**

For the purposes of this Article, a general notice to the directors by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person, or that there has been a material change in the director's or officer's interest in the person, and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any such contract or transaction.

10.7 **Effect of Disclosure**

Where a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he has a material interest:

(i) the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction; and

(ii) the contract or transaction is neither void nor voidable,

by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with sections 10.2, 10.3, 10.4 or 10.6 of this by-law, as the case may be, and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved.

10.8 **Confirmation by Shareholders**

Notwithstanding anything in this Article, a director or officer, acting honestly and in good faith, is not accountable to the Corporation or to its shareholders for any profit or gain realized from any such contract or transaction by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interest therein void or voidable, where:

(i) the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose; and

(ii) the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in the information circular required pursuant to the provisions of the Act.

ARTICLE 11 – OFFICERS

11.1 **Officers**

Subject to the articles and by-laws, the board may, annually or as often as may be required, by resolution appoint a President or Chairman of the Board and a Secretary. In addition, the board may from time to time by resolution appoint such other officers as the board determines to be necessary or advisable in the interests of the Corporation, which officers shall, subject to the Act, have such authority and perform such duties as may from time to time be prescribed by resolution of the board. None of the said officers, other than the Chairman of the Board, need be a member of the board. Any two or more offices of the Corporation may be held by the same person, except those of President and Vice-President. If the same person holds both the office of Secretary and the office of Treasurer, he may be known as Secretary-Treasurer.

11.2 **Appointment of President or Chairman of the Board and Secretary**

At the first meeting of the board after each annual meeting of shareholders, the board may appoint a President or Chairman of the Board and a Secretary.

11.3 **Remuneration and Removal of Officers**

The remuneration of all officers shall be determined from time to time by the board. The fact that any officer is a director or shareholder shall not disqualify him or her from receiving such remuneration as may be so determined. All officers shall be subject to removal by resolution of the board at any time.

11.4 **Duties of Officers may be Delegated**

In case of the absence or inability to act of the Chairman of the Board or the President, or any other officer of the Corporation, or for any other reason that the board may deem sufficient, the board may delegate the powers of such officer to any other officer or to any director for the time being.

11.5 **Chairman of the Board**

The Chairman of the Board shall, if present, preside at all meetings of directors and shareholders. He shall sign all instruments which require his or her signature and shall perform all duties incident to his or her office, and shall have such other powers and perform such other duties as may from time to time be prescribed by resolution of the board.

11.6 **President**

The President shall sign all instruments which require his or her signature and shall perform all duties incident to his or her office, and shall have such other powers and perform such other duties as may from time to time be prescribed by resolution of the board.

11.7 **General Manager**

The General Manager shall have such authority to manage the business of the Corporation and perform such duties as may from time to time be prescribed by resolution of the board.

11.8 **Vice-President**

During the President's absence or inability or refusal to act, the President's duties may be performed and his or her powers may be exercised by the Vice-President, or if there are more than one, by the Vice-Presidents in order of seniority or designation (as determined by the board), except that no Vice-President shall preside at a meeting of the board unless he is a

director. A Vice-President shall also have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

11.9 **Secretary**

The Secretary shall give, or cause to be given, all notices required to be given to shareholders, directors, auditors and members of any committee. He shall enter or cause to be entered in the books kept for that purpose minutes of all proceedings at meetings of directors and of shareholders. He shall be the custodian of the seal (if any) of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation. The Secretary shall have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

11.10 **Treasurer**

The Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depositary or depositaries as the board may by resolution direct. He shall at all reasonable times exhibit his or her books and accounts to any director upon application at the office of the Corporation during business hours. He shall sign or countersign such instruments as require his or her signature and shall perform all duties incident to his or her office or that are properly required of him or her by resolution of the board. He may be required to give such bond for the faithful performance of his or her duties as the board in its uncontrolled discretion may require but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided. The Treasurer shall also have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

11.11 **Assistant Secretary and Assistant Treasurer**

(a) During the Secretary's absence or inability or refusal to act, the Assistant Secretary shall perform all the duties of the Secretary. The Assistant Secretary shall also have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

(b) During the Treasurer's absence or inability or refusal to act, the Assistant Treasurer shall perform all the duties of the Treasurer. The Assistant Treasurer shall also have such other authority and perform such other duties as may from time to time be prescribed by resolution of the board.

11.12 **Delegation of Board Powers**

In accordance with the by-laws and subject to the provisions of the Act, the board may from time to time by resolution delegate to any officer or officers power to manage the business and affairs of the Corporation.

11.13 **Vacancies**

If any office of the Corporation shall for any reason be or become vacant, the directors by resolution may appoint a person to fill such vacancy.

11.14 **Variation of Powers and Duties**

Notwithstanding the foregoing, the board may from time to time and subject to the provisions of the Act, add to or limit the powers and duties of an office or of an officer occupying any office.

11.15 **Chief Executive Officer**

(a) The board may by resolution designate any one of the officers (including the Chairman of the Board, if any) as the Chief Executive Officer of the Corporation and may from time to time by resolution rescind any such designation and designate another officer as the Chief Executive Officer of the Corporation.

(b) The officer designated as the Chief Executive Officer of the Corporation pursuant to subsection (a) of this section shall exercise general supervision over the affairs of the Corporation.

ARTICLE 12 - MEETINGS OF SHAREHOLDERS

12.1 **Calling of Meetings**

A meeting of shareholders may be called at any time by resolution of the board or by the Chairman of the Board or by the President, and the Secretary shall cause notice of a meeting of shareholders to be given when directed so to do by resolution of the board or by the Chairman of the Board or by the President.

12.2 **Annual Meeting**

Subject to the provisions of the Act, the Corporation shall hold an annual meeting of shareholders not later than eighteen (18) months after the Corporation comes into existence and subsequently not later than fifteen (15) months after holding the last preceding annual meeting for the purpose of considering the financial statements and the auditor's report, electing directors and appointing auditors.

12.3 **Special Meeting**

Subject to the provisions of the Act, a special meeting of shareholders may be called at any time and may be held in conjunction with an annual meeting of shareholders.

12.4 **Place of Meetings**

Subject to the articles, a meeting of shareholders shall be held at such place in or outside Ontario as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

12.5 **Notice**

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 17.1 in this by-law, in the case of an offering Corporation, not less than twenty one (21) days, and in the case of any other Corporation, not less than ten (10) days, but, in either case, not more than fifty (50) days, before the date of the meeting to each director, to the auditor and to each shareholder entitled to vote at such meeting. A notice of a meeting is not required to be sent to shareholders who were not registered on the records of the Corporation or its transfer agent on the record date determined under subsection 12.9(a) of this by-law but failure to receive a notice does not deprive a shareholder of the right to vote at the meeting.

12.6 **Contents of Notice**

The notice of a meeting of shareholders shall state the day, hour and place of the meeting, and shall state or be accompanied by a statement of

(i) the nature of any special business to be transacted at the meeting in sufficient detail to permit a shareholder to form a reasoned judgment thereon, and

(ii) the text of any special resolution or by-law to be submitted to the meeting.

For the purposes of this section "special business" includes all business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor.

12.7 **Waiver of Notice**

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

12.8 **Notice of Adjourned Meetings**

(a) If a meeting of shareholders is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned.

(b) If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

12.9 **Record Date for Notice**

(a) The directors may by resolution fix in advance a time and date as the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders, which record date shall not precede by more than fifty (50) days or by less than twenty one (21) days the date on which the meeting is to be held. Where no such record date for the determination of the shareholders entitled to notice of a meeting of the shareholders is fixed by the directors as aforesaid, such record date shall be:

(i) at the close of business on the day immediately preceding the day on which notice of such meeting is given, or

(ii) if no notice is given, the day on which the meeting is held;

(b) If a record date is fixed pursuant to subsection (a) of this section, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register at the close of business on the day the directors fix the record date, notice thereof shall be given, not less than seven days before the date so fixed, in accordance with section 15.3 hereof.

12.10 **Omission of Notice**

Subject to the provisions of the Act, the accidental omission to give notice of any meeting of shareholders to any person entitled thereto or the non-receipt of any notice by any such person shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

12.11 **List of Shareholders**

(a) The Corporation shall prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order and showing the number of shares held by each shareholder, which list shall be prepared:

(i) if a record date is fixed under subsection 12.9(a) of this by-law not later than ten days after such record date; or

(ii) if no record date is fixed,

(A) at the close of business on the day immediately preceding the day on which notice is given, or

(B) where no notice is given, on the day on which the meeting is held.

(b) A shareholder may examine the list of shareholders,

(i) during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained, and

(ii) at the meeting of shareholders for which the list was prepared.

12.12 **Shareholders Entitled to Vote**

Where the Corporation fixes a record date under subsection 12.9(a) of this by-law, a person named in the list prepared under section 12.11 of this by-law is entitled to vote the shares shown opposite his or her name at the meeting to which the list relates.

12.13 **Persons Entitled to be Present**

The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat and the President, the Secretary, the directors, the scrutineer or scrutineers and the auditor and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

12.14 **Proxies**

(a) Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, as his or her nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

(b) A proxy shall be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized and shall conform with the requirements of the Act.

12.15 **Revocation of Proxies**

A shareholder may revoke a proxy

(i) by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing,

(A) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or

(B) with the chairman of the meeting on the day of the meeting or an adjournment thereof; or

(ii) in any other manner permitted by law.

12.16 **Deposit of Proxies**

The directors may by resolution fix a time not exceeding forty-eight (48) hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting.

12.17 **Joint Shareholders**

Where two (2) or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two (2) or more of those persons are present, in person or by proxy, they shall vote as one on the shares jointly held by them.

12.18 **Chairman and Secretary**

(a) The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: Chairman of the Board, President or, in the absence of the aforesaid officers, a Vice-President who is a director. If there is no such officer or if at a meeting none of them is present within fifteen (15) minutes after the time appointed for the holding of the meeting the shareholders present shall choose a person from their number to be the chairman.

(b) The Secretary shall be the secretary of any meeting of shareholders, but if the Secretary is absent, the chairman shall appoint some person who need not be a shareholder to act as secretary of the meeting.

12.19 **Scrutineers**

The chairman of any meeting of shareholders may appoint one or more persons to act as scrutineer or scrutineers at such meeting and in that capacity to report to the chairman such information as to attendance, representation, voting and other matters at the meeting as the chairman shall direct.

12.20 **Votes to Govern**

At all meetings of shareholders every question shall, unless otherwise required by law, the articles or the by-laws, be determined by the majority of the votes duly cast on the question. In case of an equality of votes, the chairman presiding at the meeting shall not have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder.

12.21 **Show of Hands**

At all meetings of shareholders, every question submitted to the meeting shall be decided by a show of hands unless a ballot thereon is required by the chairman or is demanded by a shareholder or proxyholder present and entitled to vote. Upon a show of hands every person present who is either a shareholder entitled to vote or the duly appointed proxyholder of such a shareholder shall have one vote. Before or after a vote by a show of hands has been taken upon any question, the chairman may require, or any shareholder or proxyholder present and entitled to vote may demand, a ballot thereon. Unless a ballot is demanded, an entry in the minutes of a meeting of shareholders to the effect that the chairman declared a motion to be carried is admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion.

12.22 **Ballots**

If a ballot is required by the chairman of the meeting or is duly demanded by any shareholder or proxyholder and the demand is not withdrawn, a ballot upon the question shall be taken in such manner and at such time as the chairman of the meeting shall direct.

12.23 **Votes on Ballots**

Unless the articles otherwise provide, upon a ballot each shareholder who is present in person or represented by proxy shall be entitled to one vote for each share in respect of which he is entitled to vote at the meeting and the result of the ballot shall be the decision of the meeting.

12.24 **Adjournment**

The chairman presiding at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place and, subject to the provisions of the Act and subsection 12.8(b) of this by-law no notice of such adjournment or of the adjourned meeting need be given to the shareholders. Subject to the provisions of the Act, any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling such meeting.

12.25 **Quorum**

At any meeting of shareholders, two (2) individuals present in person, each of whom is either a shareholder entitled to attend and vote at such meeting or the proxyholder of such a shareholder appointed by means of a valid proxy, shall be a quorum for the choice of a chairman (if required) and for the adjournment of the meeting. For all other purposes a quorum for any meeting of shareholders (unless a greater number of shareholders and/or a greater number of shares are required by the Act or by the articles or the by-laws) shall be two (2) individuals present in person, each of whom is either a shareholder entitled to attend and vote at such meeting or the proxyholder of such a shareholder appointed by means of a valid proxy, holding or representing by proxy not less than 5% of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting. No business shall be transacted at any meeting of shareholders while the requisite quorum is not present.

12.26 **Only One Shareholder**

Where the Corporation has only one shareholder, or only one holder of any class or series of shares, that shareholder present in person or by proxy constitutes a meeting.

ARTICLE 13 - SHARES AND TRANSFERS

13.1 **Issuance**

Subject to the provisions of the Act and the articles, shares of the Corporation may be issued at such time and to such persons and for such consideration as the directors may by resolution determine, but no share shall be issued until it is fully paid in money or in property or past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

13.2 **Commissions**

The directors may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

13.3 **Register of Transfers**

Subject to the Ontario *Securities Transfer Act, 2006* (the "**STA**"), no transfer of a share shall be registered in a securities register except upon presentation of the certificate, if any, issued by the Corporation, representing the share with an endorsement which complies with the STA made on or delivered with it, duly executed by an appropriate person as provided by the STA, together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe, on payment of all applicable taxes and any

reasonable fees prescribed by the Board, on compliance with the restrictions on issue, transfer or ownership authorized by the Articles or any Unanimous Shareholder Agreement and on satisfaction of any lien referred to in Section 13.4 of these by-laws.

13.4 **Lien on Shares**

Except where it has shares listed on a stock exchange recognized by the Ontario Securities Commission, subject to the provisions of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his or her legal representative for a debt of that shareholder to the Corporation. Such lien may be enforced by the Corporation in any manner permitted by law.

13.5 **Share Certificates**

(a) Unless otherwise provided in the Articles, the Board may provide by resolution that all or any classes and series of shares or other securities shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate is surrendered to the Corporation.

(b) Subject to subsection 13.5(a) of these by-laws, every holder of one or more securities of the Corporation is entitled at his or her option to a security certificate or to a non-transferable written acknowledgement of his or her right to obtain a security certificate from the Corporation, stating the number, class or series of securities held by him or her as shown in the securities register. The certificates shall be in such form as the Board may from time to time approve and need not be under corporate seal. Unless otherwise ordered by the Board, any such certificate shall be signed manually.

(c) Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall (subject to compliance with the provisions of the Act) be in such form as the directors may from time to time by resolution approve and, unless otherwise provided by resolution of the board, such certificates and acknowledgements may be signed by any two of the following officers: the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, the Secretary or a Vice-President holding office at the time of the signing, and notwithstanding any change in the persons holding such offices between the time of actual signing and the issuance of any certificate or acknowledgement and notwithstanding that the signing officer may not have held office at the date of the issuance of such certificate or acknowledgment, any such certificate or acknowledgement so signed shall be valid and binding upon the Corporation.

(d) Notwithstanding the provisions of section 2.4 of this by-law, the signature of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer,

the President or a Vice-President may be printed, engraved, lithographed or otherwise mechanically reproduced upon certificates and acknowledgements for shares of the Corporation, and certificates and acknowledgements so signed shall be deemed to have been manually signed by the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President or a Vice-President whose signature is so printed, engraved, lithographed or otherwise mechanically reproduced thereon and shall be as valid as if they had been signed manually. Where the Corporation has appointed a transfer agent pursuant to subsection 13.6(a) of this by-law the signature of the Secretary or Assistant Secretary may also be printed, engraved, lithographed or otherwise mechanically reproduced, and when countersigned by or on behalf of a transfer agent, share certificates and acknowledgements so signed shall be as valid as if they had been signed manually.

13.6 **Transfer Agent**

(a) For each class of securities and warrants issued by it, the Corporation may, from time to time, appoint or remove

(i) a trustee, transfer agent or other agent to keep the securities register and the register of transfers and one or more persons or agents to keep branch registers; and

(ii) a registrar, trustee or agent to maintain a record of issued security certificates and warrants;

and the person or persons appointed pursuant to this subsection shall be referred to in this by-law as a "transfer agent".

(b) Subject to compliance with the provisions of the Act, the directors may by resolution provide for the transfer and the registration of transfers of shares of the Corporation in one or more places. A transfer agent shall keep all necessary books and registers of the Corporation for the registration and transfer of such shares of the Corporation. All share certificates issued by the Corporation for shares for which a transfer agent has been appointed as aforesaid shall be countersigned by or on behalf of the said transfer agent.

13.7 **Transfer of Shares**

Subject to the restrictions on transfer set forth in the articles, shares of the Corporation shall be transferable on the books of the Corporation in accordance with the applicable provisions of the Act.

13.8 **Defaced, Destroyed, Stolen or Lost Certificates**

Where the owner of a share or shares of the Corporation claims that the certificate for such share or shares has been lost, apparently destroyed or wrongfully taken, the Corporation shall issue a new share certificate in place of the original share certificate if such owner

(i) so requests before the Corporation has notice that shares represented by the original certificate have been acquired by a bona fide purchaser;

(ii) files with the Corporation an indemnity bond sufficient in the Corporation's opinion to protect the Corporation and any transfer agent from any loss that it or any of them may suffer by complying with the request to issue a new share certificate; and

(iii) satisfies any other reasonable requirements imposed by the Corporation.

13.9 **Joint Shareholders**

If two (2) or more persons are registered as joint holders of any share or shares, the Corporation is not bound to issue more than one share certificate in respect thereof and delivery of a share certificate to one of such persons is sufficient delivery to all of them.

13.10 **Deceased Shareholders**

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register or register of transfers in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation or any of its transfer agents.

ARTICLE 14 - DIVIDENDS

14.1 **Declaration of Dividends**

Subject to the provisions of the Act and the articles, the directors may from time to time declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation.

14.2 **Joint Shareholders**

(a) In case several persons are registered as joint holders of any share or shares of the Corporation, the cheque for any dividend payable to such joint holders shall, unless such joint holders otherwise direct, be made payable to the order of all

such joint holders and if more than one address appears on the books of the Corporation in respect of such joint holding the cheque shall be mailed to the first address so appearing.

(b) In case several persons are registered as the joint holders of any share or shares of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends on such shares and/or payments in respect of the redemption of such shares.

ARTICLE 15 - RECORD DATES

15.1 Fixing Record Dates

For the purpose of determining shareholders:

(i) entitled to receive payment of a dividend;

(ii) entitled to participate in a liquidation or distribution; or

(iii) for any other purpose except the right to receive notice of or to vote at a meeting,

the directors may fix in advance a date as the record date for such determination of shareholders, but such record date shall not precede by more than fifty (50) days the particular action to be taken.

15.2 No Record Date Fixed

If no record date is fixed pursuant to section 15.1 hereof, the record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating thereto.

15.3 Notice of Record Date

If a record date is fixed, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register at the close of business on the day the directors fix the record date, notice thereof shall be given, not less than seven days before the date so fixed:

(i) by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of its shares may be recorded; and

(ii) by written notice to each stock exchange in Canada on which the shares of the Corporation are listed for trading.

15.4 **Effect of Record Date**

In every case where a record date is fixed pursuant to section 15.1 hereof in respect of the payment of a dividend, the making of a liquidation distribution or the issue of warrants or other rights to subscribe for shares or other securities, only shareholders of record at the record date shall be entitled to receive such dividend, liquidation distribution, warrants or other rights.

ARTICLE 16 - CORPORATE RECORDS AND INFORMATION

16.1 **Keeping of Corporate Records**

(a) The Corporation shall prepare and maintain, at its registered office or at such other place in Ontario designated by the directors:

(i) the articles and the by-laws and all amendments thereto:

(ii) minutes of meetings and resolutions of shareholders;

(iii) a register of directors in which are set out the names and residence addresses, while directors, including the street and number, if any, of all persons who are or have been directors with the several dates on which each became or ceased to be a director;

(iv) a securities register in which are recorded the securities issued by the Corporation in registered form, showing with respect to each class or series of securities

(A) the names, alphabetically arranged, of persons who,

(1) are or have been within six years registered as shareholders and the address including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder,

(2) are or have been within six years registered as holders of debt obligations of the Corporation and the address including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, or

(3) are or have been within six years registered as holders of warrants of the Corporation, other than warrants exercisable within one year from the date of issue and the address including the street and number, if any, of every

such person while a registered holder, and the class or series and number of warrants registered in the name of such holder; and

(B) the date and particulars of the issue of each security and warrant.

(b) In addition to the records described in subsection (a) of this section, the Corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee. The records described in this subsection shall be kept at the registered office of the Corporation or at such other place in Ontario as is designated by the directors and shall be open to examination by any director during normal business hours of the Corporation.

(c) The Corporation shall also cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

16.2 **Access to Corporate Records**

Shareholders and creditors of the Corporation and their agents and legal representatives may examine the records referred to in subsection 16.1(a) of this by-law during the usual business hours of the Corporation and may take extracts therefrom, free of charge. If the Corporation is an offering corporation, any other person may examine such records during the usual business hours of the Corporation and may take extracts therefrom upon payment of a reasonable fee.

16.3 **Copies of Certain Corporate Records**

A shareholder is entitled upon request and without charge to one copy of the articles and by-laws.

16.4 **Report to Shareholders**

A copy of the financial statements of the Corporation, a copy of the auditor's report, if any, to the shareholders and a copy of any further information respecting the financial position of the Corporation and the results of its operations required by the articles and the by-laws which are to be placed before an annual meeting of shareholders pursuant to the Act shall be sent to each shareholder not less than ten (10) days before such annual meeting of shareholders (or, if the Corporation is an offering Corporation, not less than twenty-one (21) days) or before the signing of a resolution in accordance with the Act in lieu of such annual meeting, except to a shareholder who has informed the Corporation in writing that he does not wish to receive a copy of those documents.

16.5 **No Discovery of Information**

Except as specifically provided for in this Article, and subject to all applicable law, no shareholder shall be entitled to or to require discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors would be inexpedient or inadvisable in the interests of the Corporation to communicate to the public.

16.6 **Conditions for Inspection**

The board may from time to time by resolution determine whether and to what extent and at what times and place and under what conditions or regulations the accounts and books of the Corporation or any of them shall be open to the inspection of shareholders, and no shareholder shall have any right to inspect any account or book or document of the Corporation, except as specifically provided for in this Article or as otherwise provided for by statute or as authorized by resolution of the board.

ARTICLE 17 - NOTICES

17.1 **Method of Giving**

Any notice, communication or other document to be sent or given by the Corporation to a shareholder, director, officer, or auditor of the Corporation under any provision of the Act, the articles or by-laws shall be sufficiently sent and given if delivered personally to the person to whom it is to be given or if delivered to his or her last address as shown in the records of the Corporation or its transfer agent or if mailed by prepaid ordinary mail or air mail in a sealed envelope addressed to him or her at his or her last address as shown on the records of the Corporation or its transfer agent or if sent by any means of wire or wireless or any other form of transmitted or recorded communication. The Secretary may change the address on the records of the Corporation of any shareholder in accordance with any information believed by him or her to be reliable. A notice, communication or document so delivered shall be deemed to have been sent and given when it is delivered personally or delivered at the address aforesaid. A notice, communication or document so mailed shall be deemed to have been sent and given on the day it is deposited in a post office or public letter box and shall be deemed to be received by the addressee on the fifth day after such mailing. A notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been given when delivered to the appropriate communication corporation or agency or its representative for dispatch.

17.2 **Shares Registered in More Than One Name**

All notices or other documents with respect to any shares of the Corporation registered in the names of two or more persons as joint shareholders shall be addressed to all of such persons and sent to the address or addresses for such persons as shown in the records of the Corporation or its transfer agent but notice to one of such persons shall be sufficient notice to all of them.

17.3 **Persons Becoming Entitled by Operation of Law**

Subject to the provisions of the Act, every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any share or shares of the Corporation shall be bound by every notice or other document in respect of such share or shares which previous to his or her name and address being entered on the records of the Corporation shall be duly given to the person or persons from whom he derives his or her title to such share or shares.

17.4 **Deceased Shareholder**

Any notice or document delivered or sent by mail or left at the address of any shareholder as such address appears on the records of the Corporation shall, notwithstanding that such shareholder is then deceased and whether or not the Corporation has notice of his or her death, be deemed to have been duly given or served in respect of the shares whether held solely or jointly with other persons by such shareholder until some other person is entered in his or her stead on the records of the Corporation as the holder or one of the joint holders thereof and such service of such notice shall for all purposes be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and on all persons, if any, interested with him or her in such shares.

17.5 **Signature to Notice**

The signature, if any, to any notice to be given by the Corporation may be written, stamped, typewritten, printed or otherwise mechanically reproduced in whole or in part.

17.6 **Proof of Service**

A certificate of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, a Vice-President, the Secretary or the Treasurer or of any other officer in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the delivery or mailing or service of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall, in the absence of evidence to the contrary, be proof thereof.

17.7 **Computation of Time**

Where a given number of days' notice or notice extending over any period is required to be given, the number of days or period shall be computed in accordance with the definition of "day" contained in section 1.1 of this by-law.

17.8 **Waiver of Notice**

Any shareholder (or his or her duly appointed proxyholder), director, officer, auditor or member of a committee may at any time waive any notice, or waive or abridge the time for any

notice, required to be given to him or her under any provisions of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner.

ARTICLE 18 - REPEAL OF FORMER BY-LAWS

18.1 **Repeal of By-law No. 1A**

By-law No. 1A of the Corporation is repealed as of the coming into force of this By-law No. 2. The repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles (as defined in the Act) or predecessor charter documents of the Corporation obtained pursuant to, any such by-law before its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

PASSED AND MADE this <*> day of <*>, 2019.

<*> <*>

EXHIBIT 5
FORM OF RESULTING ISSUER RIGHTS PLAN

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF <*>, 2019

BETWEEN

HARBORSIDE, INC. AND

ODYSSEY TRUST COMPANY

AS RIGHTS AGENT

AIRD BERLIS

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SHAREHOLDER RIGHTS PLAN AGREEMENT

MEMORANDUM OF AGREEMENT dated as of <*>, 2019 between Harborside, Inc. (the "**Corporation**"), a corporation existing under the laws of the Province of Ontario and Odyssey Trust Company, a trust company existing under the laws of Alberta and registered to carry on business in the Provinces of Alberta and British Columbia (the "**Rights Agent**");

WHEREAS the Board of Directors (as hereinafter defined) has determined that it is in the best interests of the Corporation to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over bid for the Corporation;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement, the Board of Directors has:

(a) authorized the issuance, effective at 12:01 a.m. (Toronto time) on the Effective Date (as hereinafter defined), of one Right (as hereinafter defined) in respect of each Subordinate Voting Share (as hereinafter defined) outstanding at 12:01 a.m. (Toronto time) on the Effective Date (the "**Record Time**"); and

(b) authorized the issuance of one Right in respect of each Subordinate Voting Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined);

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

(a) **"*1934 Exchange Act*"** means the *Securities Exchange Act* of 1934 of the United States, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced;

(b) **"Acquiring Person"** shall mean any Person who is the Beneficial Owner of 20% or more of the then outstanding Subordinate Voting Shares; provided, however, that the term **"Acquiring Person"** shall not include:

(i) the Corporation or any Subsidiary of the Corporation;

(ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Subordinate Voting Shares as a result of one or any combination of (A) a Subordinate Voting Share Reduction, (B) a Permitted Bid Acquisition, (C) an Exempt Acquisition or (D) a Pro Rata Acquisition; provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Subordinate Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C) or (D) above and such Person's Beneficial Ownership of Subordinate Voting Shares thereafter increases by more than 1.0% of the number of Subordinate Voting Shares then outstanding (other than pursuant to one or any combination of a Subordinate Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Subordinate Voting Shares, such Person shall become an **"Acquiring Person"**; and

(iii) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Subordinate Voting Shares in connection with a distribution of securities of the Corporation;

(c) **"Affiliate"** when used to indicate a relationship with a Person means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person;

(d) **"Agreement"** shall mean this shareholder rights plan agreement dated as of <*>, 2019 between the Corporation and the Rights Agent, as the same may be amended, supplemented and/or restated from time to time; "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;

(e) **"Associate"** means, when used to indicate a relationship with a specified Person, a spouse of that Person, any Person of the same or opposite sex with whom that Person is living in a conjugal relationship outside marriage, a child of that Person or a relative of that Person if that relative has the same residence as that Person;

(f) A Person shall be deemed the **"Beneficial Owner"** of, and to have **"Beneficial Ownership"** of, and to **"Beneficially Own"**,

(i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;

(ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable immediately or within a period of 60 days and whether or not on condition or the happening of any contingency or the making of any payment) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than (x) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities and (y) pledges of securities in the ordinary course of business), or upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrant or option; or

(iii) any securities which are Beneficially Owned within the meaning of Clauses 1.1(f)(i) and (ii) by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the **"Beneficial Owner"** of, or to have **"Beneficial Ownership"** of, or to **"Beneficially Own"**, any security:

(iv) where such security has been agreed to be deposited or tendered pursuant to a Lock-up Agreement or is otherwise deposited to any Take-over Bid made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall first occur;

(v) where such Person, any of such Person's Affiliates or Associates or any other Person acting jointly or in concert with such Person holds such security provided that:

A. the ordinary business of any such Person (the **"Investment Manager"**) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person (a **"Client"**), including a non-discretionary account

held on behalf of a Client by a broker or dealer registered under applicable law;

B. such Person (the **"Trust Company"**) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an **"Estate Account"**) or in relation to other accounts (each an **"Other Account"**) and holds such security in the ordinary course of such duties for the estate of any such deceased or incompetent Person or for such other accounts;

C. such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the **"Statutory Body"**) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;

D. such Person (the **"Administrator"**) is the administrator or trustee of one or more pension funds or plans (a **"Plan"**), or is a Plan, registered under the laws of Canada or any Province thereof or the laws of the United States of America or any State thereof;

E. such Person (the **"Crown Agent"**) is a Crown agent or agency; or

F. such Person (the **"Manager"**) is the manager or trustee of a mutual fund (**"Mutual Fund"**) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund.

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator, the Plan, the Crown Agent, the Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Subordinate Voting Shares or other securities (x) pursuant to a distribution by the Corporation, (y) by means of a Permitted Bid or (z) by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market;

(vi) where such Person is (A) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such

security, (B) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (C) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;

(vii) where such Person is (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (B) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (C) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or

(viii) where such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;

(g) **"Board of Directors"** shall mean the board of directors of the Corporation or any duly constituted and empowered committee thereof;

(h) **"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law to close;

(i) **"Canadian Dollar Equivalent"** of any amount which is expressed in United States Dollars means, on any date, the Canadian dollar equivalent of such amount determined by multiplying such amount by the U.S. - Canadian Exchange Rate in effect on such date;

(j) **"Canadian - U.S. Exchange Rate"** means, on any date, the inverse of the U.S. - Canadian Exchange Rate in effect on such date;

(k) **"close of business"** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal transfer office in Toronto, Ontario of the transfer agent for the Subordinate Voting Shares (or, after the Separation Time, the principal transfer office in Toronto, Ontario of the Rights Agent) is closed to the public; provided, however, that for the purposes of the definitions of "Competing Permitted Bid" and "Permitted Bid", "close of business" on any date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day);

(l) **"Competing Permitted Bid"** means a Take-over Bid that:

(i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of the Permitted Bid or Competing Permitted Bid; and

(ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Clause (ii)(A) of the definition of a Permitted Bid; and

(iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Subordinate Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits or tenders of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;

(m) **"controlled"** a Person is "controlled" by another Person or two or more other Persons acting jointly or in concert if:

(i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate;

(ii) in the case of a Person which is not a body corporate, more than 50% of the voting interests of such entity are held, directly or indirectly, by or for the benefit of the other Person; or

(iii) in the case of a Person which is a limited partnership, the general partner controls the partnership;

and "controls", "controlling" and "under common control with" shall be interpreted accordingly;

(n) **"Co-Rights Agents"** shall have the meaning ascribed thereto in Subsection 4.1(a);

(o) **"Disposition Date"** shall have the meaning ascribed thereto in Subsection 5.1(h);

(p) **"Distribution Reinvestment Acquisition"** shall mean an acquisition of Subordinate Voting Shares pursuant to a Distribution Reinvestment Plan;

(q) **"Distribution Reinvestment Plan"** means a regular distribution reinvestment or other plan of the Corporation made available by the Corporation to holders of its securities where such plan permits the holder to direct that some or all of:

(i) distributions paid in respect of Subordinate Voting Shares;

(ii) proceeds of redemption of Subordinate Voting Shares;

(iii) interest paid on evidences of indebtedness of the Corporation; or

(iv) optional cash payments;

be applied to the purchase from the Corporation of Subordinate Voting Shares;

(r) "**Effective Date**" means <*>, 2019;

(s) **"Election to Exercise"** shall have the meaning ascribed thereto in Clause 2.2(d)(ii);

(t) **"Exempt Acquisition"** means a Subordinate Voting Share acquisition in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsection 5.1(a) or (h);

(u) **"Exercise Price"** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be an amount equal to three times the Market Price;

(v) **"Expansion Factor"** shall have the meaning ascribed thereto in Clause 2.3(a)(x);

(w) **"Expiration Time"** shall mean the earlier of:

(i) the Termination Time; and

(ii) the close of business on that date which is the ate of termination of this Agreement under Section 5.16;

(x) **"Flip-in Event"** shall mean a transaction in or pursuant to which any Person becomes an Acquiring Person;

(y) **"holder"** shall have the meaning ascribed thereto in Section 2.8;

(z) **"Independent Shareholders"** shall mean holders of Subordinate Voting Shares, other than:

(i) any Acquiring Person;

(ii) any Offeror (other than any Person who, by virtue of Clause 1.1(f)(v), is not deemed to Beneficially Own the Subordinate Voting Shares held by such Person);

(iii) any Affiliate or Associate of any Acquiring Person or Offeror;

(iv) any Person acting jointly or in concert with any Acquiring Person or Offeror; and

(v) any employee benefit plan, deferred profit sharing plan, share participation plan and any other similar plan or trust for the benefit of employees of the Corporation unless the beneficiaries of the plan or trust direct the manner in which the Subordinate Voting Shares are to be voted or withheld from voting or direct whether the Subordinate Voting Shares are to be tendered to a Take-over Bid;

(aa) **"Lock-up Agreement"** means an agreement between an Offeror, any of its Affiliates or Associates or any other Person acting jointly or in concert with the Offeror and a Person (the **"Locked-up Person"**) who is not an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror whereby the Locked-up Person agrees to deposit or tender the Subordinate Voting Shares held by the Locked-up Person to the Offeror's Take-over Bid or to any Take-over Bid made by any of the Offeror's Affiliates or Associates or made by any other Person acting jointly or in concert with the Offeror (the **"Lock-up Bid"**), provided that:

(i) the agreement:

A. permits the Locked-up Person to withdraw the Subordinate Voting Shares from the agreement in order to tender or deposit the Subordinate Voting Shares to another Take-over Bid or to support another transaction that in either case will provide greater value to the Locked-up Person than the Lock-up Bid; or

B. (1) permits the Locked-up Person to withdraw the Subordinate Voting Shares from the agreement in order to tender or deposit the Subordinate Voting Shares to another Take-over Bid or to support another transaction that contains an offering price for each Subordinate Voting Share that exceeds by as much as or more than a specified amount (the **"Specified Amount"**) the offering price for each Subordinate Voting Share contained in or proposed to be contained in the Lock-up Bid; and (2) does not by its terms provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid;

and, for greater clarity, the Lock-up Agreement may contain a right of first refusal or require a period of delay to give an Offeror an opportunity to match a higher price in another Take-over Bid or other similar limitation on a Locked-up Person as long as the Locked-up Person can accept another bid or tender to another transaction;

(ii) the agreement does not provide for any "break-up" fees, "top-up" fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of:

A. the cash equivalent of 2.5% of the consideration payable under the Take-over Bid to the Locked-up Person; and

B. 50% of the amount by which the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the consideration that such Locked-up Person would have received under the Lock-up Bid;

to be paid by a Locked-up Person pursuant to the Lock-up Agreement in the event that the Locked-up Person fails to deposit or tender Subordinate Voting Shares to the Lock-up Bid or withdraws Subordinate Voting Shares in order to tender to another Take-over Bid or participate in another transaction; and

(iii) the agreement is made available to the public:

A. not later than the date on which the Lock-up Bid is publicly announced; or

B. if the Lock-up Bid has been made prior to the date on which such agreement has been entered into, forthwith and in any event not later than the Business Day following the date of such agreement;

(bb) **"Market Price"** per security of any securities on any date of determination shall mean the average of the daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:

(i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal Canadian stock exchange (as determined by volume of trading) on which such securities are listed or admitted to trading;

(ii) if for any reason none of such prices is available on such day or the securities are not listed or posted for trading on a Canadian stock exchange, the last sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal national United States securities exchange (as determined by volume of trading) on which such securities are listed or admitted to trading;

(iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange, the last sale price or, in case no sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as quoted by any recognized reporting system then in use; or

(iv) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a recognized professional market maker making a market in the securities;

provided, however, that if for any reason none of such prices is available on such day, the closing price per share of such securities on such date means the fair value per share of such securities on such date as determined by a nationally recognized investment dealer or investment banker; provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;

(cc) "**NI 62-104**" shall mean National Instrument 62-104 *Take-Over Bids and Issuer Bids*, as amended, re-enacted or replaced from time to time, and any comparable or successor laws or instruments thereto;

(dd) **"Nominee"** shall have the meaning ascribed thereto in Subsection 2.2(c);

(ee) **"Offer to Acquire"** shall include:

(i) an offer to purchase or a solicitation of an offer to sell Subordinate Voting Shares; and

(ii) an acceptance of an offer to sell Subordinate Voting Shares, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

(ff) **"Offeror"** shall mean a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;

(gg) **"Offeror's Securities"** means Subordinate Voting Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire;

(hh) **"Permitted Bid"** means a Take-over Bid made by an Offeror by way of take-over bid circular which also complies with the following additional provisions:

(i) the Take-over Bid is made to all holders of Subordinate Voting Shares as registered on the books of the Corporation, other than the Offeror;

(ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Subordinate Voting Shares will be taken-up or paid for pursuant to the Take-over Bid (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit period that a take-over bid (that is not exempt from Part 2, Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104 and (B) then only if at the close of business on such date more than 50% of the Subordinate Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;

(iii) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified condition that Subordinate Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time described in Clause 1.1(ii)(ii) and that any Subordinate Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and

(iv) the Take-over Bid contains an irrevocable and unqualified condition that in the event that the deposit condition set forth in Clause 1.1(ii)(ii)(B) is satisfied the Offeror will make a public

announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Subordinate Voting Shares for not less than ten days from the date of such public announcement;

(ii) **"Permitted Bid Acquisition"** shall mean an acquisition of Subordinate Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;

(jj) **"Person"** shall include any individual, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, body corporate, corporation, unincorporated organization, syndicate, governmental entity or other entity;

(kk) **"Pro Rata Acquisition"** means an acquisition by a Person of Subordinate Voting Shares pursuant to:

(i) a Distribution Reinvestment Acquisition;

(ii) a share split or other event in respect of Subordinate Voting Shares pursuant to which such Person becomes the Beneficial Owner of Subordinate Voting Shares on the same pro rata basis as all other holders of Subordinate Voting Shares;

(iii) the acquisition or the exercise by the Person of only those rights to purchase Subordinate Voting Shares distributed to that Person in the course of a distribution to all holders of Subordinate Voting Shares pursuant to a rights offering or pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of such Subordinate Voting Shares or securities convertible into or exchangeable for Subordinate Voting Shares so offered than the Person's percentage of Subordinate Voting Shares Beneficially Owned immediately prior to such acquisition; or

(iv) a distribution of Subordinate Voting Shares, or securities convertible into or exchangeable for Subordinate Voting Shares (and the conversion or exchange of such convertible or exchangeable securities), made pursuant to a prospectus or by way of a private placement, provided that the Person does not thereby acquire a greater percentage of such Subordinate Voting Shares, or securities convertible into or exchangeable for Subordinate Voting Shares, so offered than the Person's percentage of Subordinate Voting Shares Beneficially Owned immediately prior to such acquisition;

(ll) "**Record Time**" has the meaning set forth in the recitals to this Agreement;

(mm) **"Right"** means a right to purchase a Subordinate Voting Share upon the terms and subject to the conditions set forth in this Agreement;

(nn) **"Rights Certificate"** means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;

(oo) **"Rights Register"** shall have the meaning ascribed thereto in Subsection 2.6(a);

(pp) **"*Securities Act* (Ontario)"** shall mean the *Securities Act*, R.S.O. 1990, c.S.5, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto;

(qq) **"Separation Time"** shall mean the close of business on the eighth Trading Day after the earlier of:

(i) the Subordinate Voting Share Acquisition Date;

(ii) the date of the commencement of or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid), or such later time as may be determined by the Board of Directors, provided that, if any Take-over Bid referred to in this Clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made; and

(iii) the date on which a Permitted Bid or a Competing Permitted Bid ceases to be such;

(rr) **"Shareholder"** means a holder of Subordinate Voting Shares;

(ss) **"Subordinate Voting Share Acquisition Date"** shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to section 5.2 of NI 62-104 or Section 13(d) of the *1934 Exchange Act*) by the Corporation or an Acquiring Person that an Acquiring Person has become such;

(tt) **"Subordinate Voting Share Reduction"** means an acquisition or redemption by the Corporation of Subordinate Voting Shares which, by reducing the number of Subordinate Voting Shares outstanding, increases the proportionate number of Subordinate Voting Shares Beneficially Owned by any person to 20% or more of the Subordinate Voting Shares then outstanding;

(uu) **"Subordinate Voting Shares"** shall mean the subordinate voting shares in the capital of the Corporation and "**Subordinate Voting Share**" means any one of them;

(vv) **"Subsidiary"** a corporation is a Subsidiary of another corporation or person if:

(i) it is controlled by:

A. that other; or

B. that other and one or more corporations each of which is controlled by that other; or

C. two or more corporations each of which is controlled by that other; or

(ii) it is a Subsidiary of a corporation that is that other's Subsidiary;

(ww) **"Take-over Bid"** shall mean an Offer to Acquire Subordinate Voting Shares, or securities convertible into Subordinate Voting Shares if, assuming that the Subordinate Voting Shares or convertible securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Subordinate Voting Shares (including Subordinate Voting Shares that may be acquired upon conversion of securities convertible into Subordinate Voting Shares) together with the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Subordinate Voting Shares at the date of the Offer to Acquire;

(xx) "Termination Time" means the time at which the right to exercise Rights will terminate pursuant to subsection 5.1(e);

(yy) **"Trading Day"**, when used with respect to any securities, shall mean a day on which the principal Canadian stock exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian stock exchange, a Business Day;

(zz) **"U.S.-Canadian Exchange Rate"** means, on any date:

(i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and

(ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith; and

(aaa) **"U.S. Dollar Equivalent"** of any amount which is expressed in Canadian dollars means, on any date, the United States dollar equivalent of such amount

determined by multiplying such amount by the Canadian-U.S. Exchange Rate in effect on such date.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings

The division of this Agreement into Articles, Sections, Subsections, Clauses, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Subordinate Voting Shares

For purposes of this Agreement, the percentage of Subordinate Voting Shares Beneficially Owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

100 x A/B

where:

A = the number of votes for the election of all directors generally attaching to the Subordinate Voting Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Subordinate Voting Shares.

Where any Person is deemed to Beneficially Own unissued Subordinate Voting Shares, such Subordinate Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Subordinate Voting Shares Beneficially Owned by such Person.

1.5 Acting Jointly or in Concert

For the purpose hereof, a Person is acting jointly or in concert with another Person if the first Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with the other Person, any Associate or Affiliate of such other Person, or any other Person acting jointly or in concert with such other Person, to acquire or offer to acquire any Subordinate Voting Shares (other than customary agreements with and between underwriters and banking group or selling group members with respect to a public offering or distribution of securities and other than pursuant to a pledge of securities in the ordinary course of business).

1.6 Generally Accepted Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

ARTICLE 2 - THE RIGHTS

2.1 Subordinate Voting Shares Issued After Record Time

Subordinate Voting Shares which are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall also evidence one Right for each such Subordinate Voting Share and, if certificates are issued in respect of any Subordinate Voting Shares, the following legend shall be impressed on, printed on, written on or otherwise affixed to them:

> "Until the Separation Time (defined in the Shareholder Rights Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement dated as of <*>, 2019 (the "Shareholder Rights Agreement") between Harborside, Inc. (the "Corporation") and Odyssey Trust Company, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Agreement, the rights may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor."

Any Subordinate Voting Shares that are issued and outstanding at the Record Time shall also evidence one Right for each such Subordinate Voting Share, notwithstanding the absence of certificates evidencing such Subordinate Voting Shares or the absence of the foregoing legend thereon, until the close of business on the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

(a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Subordinate Voting Share for the Exercise Price (and the Exercise Price and number of Subordinate Voting Shares are subject to

adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.

(b) Until the Separation Time:

(i) the Rights shall not be exercisable and no Right may be exercised; and

(ii) each Right will be evidenced by the associated Subordinate Voting Shares registered in the name of the holder thereof or the nominee of such holder (which Subordinate Voting Share shall also be deemed to represent a Right) and will be transferable only together with, and will be transferred by a transfer of, such associated Subordinate Voting Share.

(c) From and after the Separation Time and prior to the Expiration Time:

(i) the Rights shall be exercisable; and

(ii) the registration and transfer of Rights shall be separate from and independent of Subordinate Voting Shares.

Promptly following the Separation Time, the Corporation will prepare and the Rights Agent will mail to each holder of record of Subordinate Voting Shares as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a **"Nominee"**)) at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

(x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and

(y) a disclosure statement describing the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Subordinate Voting Shares held of record by it which are not Beneficially Owned by an Acquiring Person.

(d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent:

(i) the Rights Certificate evidencing such Rights;

(ii) an election to exercise such Rights (an **"Election to Exercise"**) substantially in the form attached to the Rights Certificate appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and

(iii) payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Subordinate Voting Shares in a name other than that of the holder of the Rights being exercised.

(e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Clause 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Clause 2.2(d)(iii), the Rights Agent (unless otherwise instructed in writing by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

(i) if certificates evidencing Subordinate Voting Shares are to be issued, requisition from the transfer agent certificates representing the number of such Subordinate Voting Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);

(ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Subordinate Voting Shares;

(iii) if applicable, after receipt of the certificates referred to in Clause 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder; and

(iv) when appropriate, after receipt, deliver the cash referred to in Clause 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate.

(f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

(g) The Corporation covenants and agrees that it will:

(i) take all such action as may be necessary and within its power to ensure that all Subordinate Voting Shares issued upon exercise of Rights shall, at the time of such issuance (subject to payment of the Exercise Price), be duly and validly authorized and issued as fully paid and non-assessable;

(ii) take all such action as may be necessary and within its power to comply with the requirements of the Corporation's constating documents, the *Securities Act* (Ontario) and the other applicable securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Subordinate Voting Shares upon exercise of Rights;

(iii) use reasonable efforts to cause all Subordinate Voting Shares issued upon exercise of Rights to be listed on the stock exchanges on which such Subordinate Voting Shares were traded immediately prior to the Subordinate Voting Share Acquisition Date;

(iv) cause to be reserved and kept available out of the authorized and unissued Subordinate Voting Shares, the number of Subordinate Voting Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;

(v) pay when due and payable, if applicable, any and all federal, provincial and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or, if applicable, certificates for Subordinate Voting Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or, if applicable, delivery of certificates for, Subordinate Voting Shares in a name other than that of the holder of the Rights being transferred or exercised; and

(vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

(a) In the event the Corporation shall at any time after the date of this Agreement:

(i) declare or pay a distribution on Subordinate Voting Shares payable in Subordinate Voting Shares (or other securities exchangeable for or convertible into or giving a right to acquire Subordinate Voting Shares or other securities of the Corporation) other than pursuant to any optional stock dividend program;

(ii) subdivide or change the then outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares;

(iii) consolidate or change the then outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or

(iv) issue any Subordinate Voting Shares (or other securities exchangeable for or convertible into or giving a right to acquire Subordinate Voting Shares or other securities of the Corporation) in respect of, in lieu of or in exchange for existing Subordinate Voting Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

(x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Subordinate Voting Shares (or other securities) (the **"Expansion Factor"**) that a holder of one Subordinate Voting Share immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and

(y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Subordinate Voting Shares with respect to which the original Rights were associated (if they remain outstanding) and the Subordinate Voting Shares issued in respect of such distribution, subdivision, change, consolidation or issuance, so that each such Subordinate Voting Share (or other securities) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any securities other than Subordinate Voting Shares in a transaction of a type described in Clause 2.3(a)(i) or (iv), such securities shall be treated herein as nearly equivalent to Subordinate Voting Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Subordinate Voting Shares otherwise than in a transaction referred to in this Subsection 2.3(a), each such Subordinate Voting Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Subordinate Voting Share.

(b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Subordinate Voting Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Subordinate Voting Shares (or securities convertible into or exchangeable for or carrying a right to purchase Subordinate Voting Shares) at a price per Subordinate Voting Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Subordinate Voting Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per Subordinate Voting Share) less than the Market Price per Subordinate Voting Share, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

(i) the numerator of which shall be the number of Subordinate Voting Shares outstanding on such record date, plus the number of Subordinate Voting Shares that the aggregate offering price of the total number of Subordinate Voting Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Subordinate Voting Share; and

(ii) the denominator of which shall be the number of Subordinate Voting Shares outstanding on such record date, plus the number of additional Subordinate Voting Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Subordinate Voting Shares (or securities convertible into, or exchangeable or exercisable for Subordinate Voting Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Subordinate Voting Shares (whether from treasury or otherwise) pursuant to the Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Subordinate Voting Shares is at a price per share of not less than 95 per cent of the current market price per share (determined as provided in such plans) of the Subordinate Voting Shares.

(c) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a Subordinate Voting Share. Notwithstanding the first sentence of this Subsection 2.3(c), any adjustment required by Section 2.3 shall be made no later than the earlier of:

(i) three years from the date of the transaction which gives rise to such adjustment; or

(ii) the Expiration Date.

(d) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any securities (other than Subordinate Voting Shares), or rights, options or warrants to subscribe for or purchase any such

securities, in a transaction referred to in Clause 2.3(a)(i) or (iv), if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsections 2.3(a) and (b) in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a) and (b), and subject to prior approval of the holders of the Subordinate Voting Shares or of Rights, as the case may be, as provided in Section 5.4, such adjustments, rather than the adjustments contemplated by Subsections 2.3(a) and (b), shall be made. Subject to the prior consent of the holders of the Subordinate Voting Shares or the Rights obtained as set forth in Subsection 5.4(b) or (c), the Corporation and the Rights Agent shall have authority to amend this Agreement as appropriate to provide for such adjustments.

(e) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Subordinate Voting Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.

(f) Irrespective of any adjustment or change in the Exercise Price or the number of Subordinate Voting Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Subordinate Voting Share and the number of Subordinate Voting Shares which were expressed in the initial Rights Certificates issued hereunder.

(g) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Subordinate Voting Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Subordinate Voting Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Subordinate Voting Shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

(h) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:

(i) consolidation or subdivision of Subordinate Voting Shares;

(ii) issuance (wholly or in part for cash) of Subordinate Voting Shares or securities that by their terms are convertible into or exchangeable for Subordinate Voting Shares;

(iii) distributions in specie; or

(iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Corporation to holders of its Subordinate Voting Shares, shall not be taxable to such shareholders.

2.4 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Subordinate Voting Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Subordinate Voting Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Subordinate Voting Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such Subordinate Voting Shares on, and such certificate shall be dated, the next succeeding Business Day on which the Subordinate Voting Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

(a) The Rights Certificates shall be executed on behalf of the Corporation by its Chairman of the Board, President or any Vice-President and by its Secretary or any Assistant Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.

(b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and disclosure statements describing the Rights, and the Rights Agent shall countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates and disclosure statements to the holders of the Rights pursuant to Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

(c) Each Rights Certificate shall be dated the date of countersignature thereof by the Rights Agent.

2.6 Registration, Transfer and Exchange

(a) The Corporation will cause to be kept a register (the "Rights Register") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the "Rights Registrar") for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times. After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(c), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

(b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

(c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

(a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.

(b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:

(i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and

(ii) such security or indemnity as may be reasonably required by them to save each of them and any of their agents harmless;

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

(c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

(d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Subordinate Voting Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term **"holder"** of any Right shall mean the registered holder of such Right (or, prior to the Separation Time, of the associated Subordinate Voting Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, and its ordinary business practices, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation upon request.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

(a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

(b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Subordinate Voting Share certificate representing such Right;

(c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;

(d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Subordinate Voting Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Subordinate Voting Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Subordinate Voting Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

(e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);

(f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Subordinate Voting Shares and upon the sole authority of the Board of Directors, acting in good faith, this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective, as provided herein;

(g) the Rights Agent shall not be liable to any holder for any failure on the part of the Corporation to perform any of its duties pursuant to the terms of this Agreement; and

(h) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent

injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by a governmental authority, prohibiting or otherwise restraining performance of such obligations.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive distributions or be deemed for any purpose whatsoever the holder of any Subordinate Voting Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Subordinate Voting Shares or any other securities of the Corporation or any right to vote at any meeting of Shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Subordinate Voting Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Subordinate Voting Shares or any other securities of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

2.12 Fiduciary Duties of the Directors

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of Subordinate Voting Shares reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to Shareholders that the Board of Directors believe are necessary or appropriate in the exercise of their fiduciary duties.

ARTICLE 3 - ADJUSTMENTS TO THE RIGHTS

3.1 Flip-in Event

(a) Subject to Subsection 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective at the close of business on the eighth Trading Day after the Subordinate Voting Share Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Subordinate Voting Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such

consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Subordinate Voting Share Acquisition Date by:

(i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or

(ii) a transferee of Rights, directly or indirectly, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), that has the purpose or effect of avoiding Clause 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

(c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Corporation's constating documents, the *Securities Act* (Ontario) and the securities laws or comparable legislation of each of the provinces of Canada and of the United States and each of the states thereof in respect of the issue of Subordinate Voting Shares upon the exercise of Rights in accordance with this Agreement.

(d) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Clause 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

"The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate

of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Shareholder Rights Plan Agreement."

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend.

ARTICLE 4 - THE RIGHTS AGENT

4.1 General

(a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents (**"Co-Rights Agents"**) as it may deem necessary or desirable, subject to the prior written consent of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine, with the approval of the Rights Agent. The Corporation agrees to pay to the Rights Agent from time to time reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses (including reasonable expenses, advances, counsel fees and disbursements) incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of gross negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors or employees) for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.

(b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Subordinate Voting Shares, Rights Certificate, certificate for other securities

of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

(c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate with respect to the then current officers and directors of the Corporation.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

(a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the

holders of certificates for Subordinate Voting Shares and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) the Rights Agent, at the expense of the Corporation, may consult with and retain legal counsel (who may be legal counsel for the Corporation) and such other experts as it shall reasonably consider necessary to perform its duties hereunder, and the opinion of such counsel or other expert will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted to be taken by it in good faith and in accordance with such opinion;

(b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, any Vice-President, Treasurer, Secretary, or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;

(c) the Rights Agent will be liable hereunder only for events which are the result of its own gross negligence, bad faith or wilful misconduct;

(d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or, if applicable, in the certificates for Subordinate Voting Shares, or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;

(e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Subordinate Voting Share (if applicable) or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty

as to the authorization of any Subordinate Voting Shares to be issued pursuant to this Agreement or any Rights or as to whether any Subordinate Voting Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;

(f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

(g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, Chief Financial Officer, any Vice-President, Treasurer, Corporate Secretary or any Assistant Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;

(h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Subordinate Voting Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity;

(i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.; and

(j) in the event of any disagreement arising regarding the terms of this Agreement, the Rights Agent shall be entitled, at its option, to refuse to comply with any and all demands whatsoever until the dispute is settled either by written agreement amongst the parties to this Agreement or by a court of competent jurisdiction.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Subordinate Voting Shares

by registered or certified mail. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Subordinate Voting Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent, at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receiving from the Corporation payment in full of all amounts outstanding under this Agreement, shall deliver and transfer to the successor rights agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Subordinate Voting Shares and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. The cost of giving any notice required under this Section 4.4 shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

4.6 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause

the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. No provision contained in this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement. Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Corporation to the Rights Agent under this Agreement in the 12 months immediately prior to the Rights Agent receiving the first notice of the claim.

ARTICLE 5 - MISCELLANEOUS

5.1 Redemption and Waiver

(a) The Board of Directors acting in good faith may, until the occurrence of a Flip-in Event, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a particular Flip-in Event that would result from a Take-over Bid made by way of take-over bid circular to all holders of record of Subordinate Voting Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1(h)); provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(a), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of record of Subordinate Voting Shares prior to the expiry of any Take-over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been, granted under this Subsection 5.1(a).

(b) Subject to the prior consent of the holders of the Subordinate Voting Shares or the Rights obtained as set forth in Subsection 5.4(b) or (c), the Board of Directors acting in good faith may, at its option, at any time prior to the provisions of Section 3.1 becoming applicable as a result of the occurrence of a Flip-in Event, elect to redeem all but not less than all of the outstanding Rights at a redemption price of $0.001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if

an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the **"Redemption Price"**).

(c) The Rights will become void and be of no further effect, without any further formality, on the date that a Person who has made a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Subsection 5.1(a) takes up and pays for the Subordinate Voting Shares pursuant to the Permitted Bid, Competing Permitted Bid or Exempt Acquisition, as applicable.

(d) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.

(e) If the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under either of Subsection 5.1(b) or (d), to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

(f) Within 10 days after the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under Subsection 5.1(b) or (d), to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Subordinate Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.

(g) Upon the Rights being redeemed pursuant to Subsection 5.1(d), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Subordinate Voting Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred.

(h) The Board of Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined within eight Trading Days following a Subordinate Voting Share Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Subordinate Voting Share Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1(h) must be on the condition that such Person, within 14 days

after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the **"Disposition Date"**), has reduced its Beneficial Ownership of Subordinate Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Subordinate Voting Share Acquisition Date and Section 3.1 shall apply thereto.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Subsection 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

(a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or, subject to Subsection 5.4(e), which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. The Corporation may, prior to the first annual meeting of the shareholders of the Corporation following the Effective Date, supplement or amend this Agreement without the approval of any holders of Rights or Subordinate Voting Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

(b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Subordinate Voting Shares obtained as set forth below, at any time prior to the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Subordinate Voting Shares duly called and held in compliance with applicable laws.

(c) The Corporation may, with the prior consent of the holders of Rights, at any time on or after the Subordinate Voting Share Acquisition Date, amend, vary or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders and representing 50% plus one of the votes cast in respect thereof.

(d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the by-laws of the Corporation with respect to meetings of Shareholders.

(e) Any amendments made by the Corporation to this Agreement pursuant to Subsection 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder shall:

(i) if made before the Separation Time, be submitted to the Shareholders at the next meeting of Shareholders and the Shareholders may, by the majority referred to in Subsection 5.4(b), confirm or reject such amendment;

(ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of Shareholders and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the Shareholders or the holders of Rights or is not submitted to the Shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the

Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the Shareholders or holders of Rights as the case may be.

(f) The Corporation shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to this section 5.4 within five (5) Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Subordinate Voting Shares

(a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Corporation shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Subsection 3.1(b), at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right.

(b) The Corporation shall not be required to issue fractions of Subordinate Voting Shares upon exercise of Rights or to distribute certificates which evidence fractional Subordinate Voting Shares. In lieu of issuing fractional Subordinate Voting Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Subordinate Voting Share that the fraction of a Subordinate Voting Share that would otherwise be issuable upon the exercise of such Right is of one whole Subordinate Voting Share at the date of such exercise.

(c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Subordinate Voting Shares pursuant to paragraph (a) or (b), respectively, unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Subordinate Voting Shares, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the

manner provided in such holder's Rights and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of the Canadian Securities Exchange and other exchanges shall be obtained, such as to the issuance of Subordinate Voting Shares upon the exercise of Rights under Subsection 2.2(d).

5.8 Declaration as to Non-Canadian or Non-U.S. Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

(a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Harborside, Inc.
<*>

Attention: <*>
Facsimile.: <*>

(b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with

the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Odyssey Trust Company
300 5th Avenue SW, Suite 350
Calgary, AB T2P 3C4

Attention: Corporate Trust Department
Facsimile: <*>

(c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Subordinate Voting Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.

(d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of sending of the same by facsimile other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right,

remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date, Expiration Time

Upon being confirmed and approved as provided in Section 5.16, this Agreement shall be effective and in full force and effect in accordance with its terms from and after the Effective Date. Pending such confirmation and approval only the provisions of this Section 5.15 and Sections 5.4, 5.16, 5.17 and 5.19 and defined terms referred to in any of such Sections shall be effective and in full force and effect.

5.16 Confirmation and Approval

This Agreement shall be effective as of and from the Effective Date. This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50 percent of the votes cast by all holders of Subordinate Voting Shares who vote in respect of such reconfirmation at every third annual meeting following the Effective Date (each such annual meeting being a "**Reconfirmation Meeting**"). If the Agreement is not so reconfirmed and approved or reconfirmed, as the case may be, or is not presented for reconfirmation and approval or reconfirmation at such Reconfirmation Meeting, the Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the Reconfirmation Meeting; provided that in the case of any such annual meeting, termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Subsection 5.1(a) or (h) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.16.

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, for the purposes hereof shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

5.18 Time of the Essence

Time shall be of the essence in this Agreement.

5.19 Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

5.20 Limited Recourse

Notwithstanding any other provision herein, it is hereby acknowledged and agreed that no obligations or liabilities, whether actual or contingent, of the Corporation are personally binding upon, and neither resort nor recourse shall be had to, nor shall satisfaction be sought from, the private property of any kind whatsoever (including, without limitation, any private property consisting of or arising from a distribution by the Corporation of any nature) of any of the directors of the Corporation, any registered or beneficial holder of securities (including Subordinate Voting Shares) of the Corporation or any annuitant under a plan of which a holder of securities (including Subordinate Voting Shares) of the Corporation acts as trustee or carrier, or any officers, employees or agents of the Corporation, and it is hereby further acknowledged and agreed that all obligations and liabilities of the Corporation shall be satisfied only out of and recourse shall limited exclusively to the property and assets of the Corporation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HARBORSIDE, INC.

Per:
Name:
Authorized Signatory

ODYSSEY TRUST COMPANY

Per:
Name:
Authorized Signatory

Per:
Name:
Authorized Signatory

ATTACHMENT 1

HARBORSIDE, INC.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No._____ Rights _____

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

Rights Certificate

This certifies that _____, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of <*>, 2019, as the same may be amended, supplemented and/or restated from time to time (the **"Shareholder Rights Agreement"**), between Harborside, Inc., a corporation existing under the laws of the Province of Ontario (the **"Corporation"**) and Odyssey Trust Company, a trust company incorporated under the laws of <*> (the **"Rights Agent"**) (which term shall include any successor rights agent under the Shareholder Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Shareholder Rights Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Agreement), one fully paid Subordinate Voting Share in the capital of the Corporation (a **"Subordinate Voting Share"**) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in Toronto, Ontario. The Exercise Price shall be an amount equal to three times the Market Price per Right and shall be subject to adjustment in certain events as provided in the Shareholder Rights Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Shareholder Rights Agreement are on file at the registered office of the Corporation.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Subordinate Voting Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a Shareholder or any right to vote for the election of directors or upon any matter submitted to Shareholders at any meeting thereof, or to give or withhold consent to any action by the Corporation, or to receive notice of meetings or other actions affecting Shareholders (except as provided in the Shareholder Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Date: _____

HARBORSIDE, INC.

Per: _____ Per: _____
Name: Name:
Title: Title:

Countersigned:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signature

Date of countersignature: _____

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____
_____

(Please print name and address of transferee.)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed:

Signature
(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

CERTIFICATE

(To be completed if true)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Subordinate Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

_____
Signature

(To be attached to each Rights Certificate.)
FORM OF ELECTION TO EXERCISE

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: _____

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Subordinate Voting Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

_____
(Name)

_____
(Address)

_____
(City and Province)

_____
Social Insurance Number or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

_____
(Name)

_____
(Address)

_____
(City and Province)

_____
Social Insurance Number or other taxpayer identification number.

Dated: _____

Signature Guaranteed:

Signature
(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a Canadian trust company, a member of a recognized stock exchange or a member of the Securities Transfer Association Medallion Program (STAMP).

CERTIFICATE

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Subordinate Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

_____

Signature

(To be attached to each Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

EXHIBIT 6
CHANGE OF AUDITOR REPORTING PACKAGE

Lineage Grow Company Ltd.

Notice of Change of Auditor

Pursuant to NI 51-102 (Part 4.11)

To: **Ontario Securities Commission**
Alberta Securities Commission
British Columbia Securities Commission

And to: Re:

UHY McGovern Hurley LLP
MNP LLP Notice of Change of Auditor

TAKE NOTICE THAT:

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations,* Lineage Grow Company Ltd (the "Company") advises that effective March 29, 2019, (the "Effective Date"), UHY McGovern Hurley LLP (the "Former Auditors") have resigned as the auditors of the Company, and that MNP, LLP (the "Successor Auditors") have been appointed as the Company's auditors in their place.

The resignation of the Former Auditors and the appointment of the Successor Auditor was approved by the Company's Board of Directors. The Company will ask that the shareholders of the Company ratify the appointment of MNP, LLP at the next annual meeting of the shareholders of the Company.

There have been no reservations in the Former Auditor's reports in connection with the audits of the two most recently completed fiscal years.

There are no reportable events, including disagreements, consultations or unresolved issues, as such terms are defined in National Instrument 51-102.

Dated this 29th day of March, 2019.

Lineage Grow Company Ltd

/s/ "Peter Bilodeau"

_____

Name: Peter Bilodeau
Title: Chief Executive Officer

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

March 29, 2019

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

We have reviewed the information contained in the Notice of Change of Auditor of Lineage Grow Company Ltd. dated March 29, 2019 (the "Notice"), which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

Based on our knowledge as of the date hereof, we agree with the statements contained in the Notice. We have no basis to agree or disagree with the comments in the notice relating to the successor auditor.

Yours truly,

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

March 29, 2019

TO: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Notice of Change of Auditor (the "Notice") – Lineage Grow Company Ltd.

We have read the Notice dated March 29, 2019 (the "**Notice**"), delivered to us pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* and, based on our knowledge of the information at this time, we agree with each statement contained in the Notice, other than statements relating to the former auditor which we have no basis to agree or disagree.

Yours truly,

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

cc: The Board of Directors, Lineage Grow Company Ltd.

SCHEDULE "A"
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
LINEAGE GROW COMPANY LTD.

The following charter is adopted in compliance with National Instrument 52-110 Audit Committees ("**NI 52-110**").

Purpose

The committee will assist the Board of Directors of the Company (the "**Board**") in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as it relates to financial reporting and disclosure. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

Committee Membership

The Committee shall consist of no fewer than three members, a majority of whom shall not be officers or employees of the Company or any of its affiliates and who shall meet the independence requirements of Canadian securities laws and the CSE. The members and chair of the Committee shall be appointed and removed by the Board in accordance with the rules of the Corporate Governance and Directors Nominating Committee.

Committee Meetings

The Committee shall meet quarterly each year. The Chairman will schedule regular meetings, and additional meetings may be held at the request of two or more members of the Committee, the CEO, or the Chairman of the Board. External auditors may convene a special meeting if they consider that it is necessary.

The committee should invite the CFO to its meetings, as it deems appropriate. The Committee shall keep adequate minutes of all its proceedings, and the Committee Chairman will report its actions to the next meeting of the Board Committee members will be furnished with copies of the minutes of each Committee meeting and any action taken by unanimous consent.

Committee Authority and Responsibilities

In carrying out its responsibilities, the Committee will:

1. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

2. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

3. Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.

4. Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.

5. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

6. Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

7. Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, stock exchange requirements and governmental regulations.

8. Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

9. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

10. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

11. Meet with management and the external auditors to review the annual financial statements and the results of the audit.

12. Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:

    (i) actual financial results for the interim period varied significantly from budgeted or projected results;

    (ii) generally accepted accounting principles have been consistently applied;

    (iii) there are any actual or proposed changes in accounting or financial reporting practices; and

    (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

13. Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

14. Review the performance of the external auditors and approve in advance provision of services other than auditing.

15. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

16. Make recommendations to the Board regarding the reappointment of the external auditors.

17. Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

18. Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

19. Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

20. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

21. Perform other functions as requested by the full Board.

22. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.

23. Review and update the charter; receive approval of changes from the Board.

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