



**Ontario  
CERTIFICATE**  
This is to certify that these  
articles are effective on

**CERTIFICAT**  
Ceci certifie que les présents  
statuts entrent en vigueur le

**MAY 30 MAI, 2019**

*Barbara Rackitt*

17

Director / Directrice

**Business Corporations Act / Loi sur les sociétés par actions**

**ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION**

Form 3  
Business  
Corporations  
Act

Formule 3  
Loi sur les  
sociétés par  
actions

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

L	I	N	E	A	G	E		G	R	O	W		C	O	M	P	A	N	Y		L	T	D	.													

- 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) :

H	A	R	B	O	R	S	I	D	E		I	N	C	.																										

- Date of incorporation/amalgamation:  
Date de la constitution ou de la fusion :

2001, 07, 11

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

- 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: minimum and maximum number of directors is/are;  
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum  
Nombre minimum et maximum

or

- 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. by changing 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**”). No fractional Common Shares shall be issued upon the Consolidation of any Common Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole Common Share;
- 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.

5. *Continued*

(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 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))

5. *Continued*

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 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:

- (i) 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;
- (ii) 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.
- (iii) 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

5. *Continued*

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 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

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Board of Directors (or a committee thereof) shall designate an officer of the Company to determine if any Conversion Limitation set forth in 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.



5. *Continued*

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

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*

- (i) 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;
- (ii) 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
- (iii) 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

2019/05/16

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

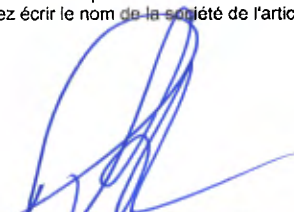
These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

**LINEAGE GROW COMPANY LTD.**

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

By/  
Par :



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(Signature)  
(Signature)

**Director**

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(Description of Office)  
(Fonction)