



HARBORSIDE

CSE: HBOR

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

October 15, 2020

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HARBORSIDE INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (the “**Subordinate Shareholders**”) of subordinate voting shares (the “**Subordinate Voting Shares**”) and the holders (the “**Multiple Shareholders**” and collectively with the Subordinate Shareholders, the “**Shareholders**”) of multiple voting shares (“**Multiple Voting Shares**”, and collectively with the Subordinate Voting Shares, the “**Shares**”) of Harborside Inc. (the “**Corporation**”) will be held on Tuesday, November 24, 2020 at 11:00 a.m. (Toronto time). The Meeting will be held in a virtual meeting format only via live audio webcast online at <http://web.lumiagm.com/225002665> for the following purposes:

1. to receive the audited financial statements of the Corporation for the years ended December 31, 2019 and 2018, together with the auditors’ reports thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint MNP LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving the Corporation’s equity incentive plan, as more fully described in the accompanying management information circular dated October 15, 2020 (the “**Circular**”);
5. to consider and, if thought appropriate, pass, with or without variation, a resolution approving certain housekeeping amendments to the articles of the Corporation, as more fully described in the accompanying Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and a reply card for use by shareholders who wish to receive the Corporation’s interim and/or annual financial statements.

Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, this year’s Meeting will be held in a virtual meeting format only via live audio webcast online at <http://web.lumiagm.com/225002665>, password: harborside2020 (case sensitive). Shareholders and duly appointed proxyholders will be able to attend the Meeting, submit questions and vote by online ballot, provided they are connected to the internet and follow the instructions in the attached Circular. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote at the Meeting.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, Odyssey Trust Company, (a) by mail at Attn: Proxy Department, 67 Yonge St., Suite 702, Toronto ON M5E 1J8, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12 digit control number by no later than 11:00 a.m. (Toronto time) on Friday, November 20, 2020 or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a non-registered Shareholder who wishes to appoint themselves to attend the Meeting) must carefully follow the instructions in the attached Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering the

proxyholder with the Corporation's transfer agent, Odyssey Trust Company, after submitting the form of proxy or voting instruction form. **If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your shares, you MUST register the proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting and ask questions, but will not be able to vote.**

The record date for the determination of those Shareholders entitled to receive this Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting is the close of business on Thursday, October 15, 2020. Shareholders of record at the close of business on the record date are entitled to notice of the Meeting and to vote thereat or at any adjournment or postponement thereof on the basis of: (i) one vote for each Subordinate Voting Share held; and (ii) one hundred votes for each Multiple Voting Share held.

DATED at Toronto, Ontario this 15th day of October, 2020.

BY ORDER OF THE BOARD

"Peter Bilodeau"

Peter Bilodeau
Interim Chief Executive Officer, Chairman and Director

HARBORSIDE INC.

MANAGEMENT INFORMATION CIRCULAR

THE MEETING

This management information circular (the “**Circular**”) is being provided in connection with the annual and special meeting (the “**Meeting**”) of holders (the “**Subordinate Shareholders**”) of subordinate voting shares (the “**Subordinate Voting Shares**”) and the holders (the “**Multiple Shareholders**” and collectively with the Subordinate Shareholders, the “**Shareholders**”) of multiple voting shares (“**Multiple Voting Shares**”, and collectively with the Subordinate Voting Shares, the “**Shares**”) in the capital of Harborside Inc. (the “**Corporation**”). Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, this year’s Meeting will be held in a virtual meeting format only via live audio webcast online at <http://web.lumiagm.com/225002665>, password: harborside2020 (case sensitive). This Circular describes the items to be voted on at the Meeting as well as the voting process, and provides information about director and executive compensation, governance practices and other relevant matters. Unless otherwise indicated, all dollar amounts in this Circular are expressed in United States dollars. Any Canadian dollar amounts converted to United States dollars have been converted using an exchange rate of 0.7699, being the Bank of Canada daily exchange rate as of December 31, 2019 (the “**Exchange Rate**”).

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation of proxies will primarily be made by sending proxy materials to Shareholders by mail, and, in relation to the delivery of this Circular, by posting this Circular online at <https://odysseytrust.com/client/harborside-inc/> and our SEDAR (as defined below) profile at www.sedar.com pursuant to the Notice-and-Access (as defined below) provisions. See “Notice-and-Access” on page 6 of this Circular for further information.

The solicitation of proxies may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Corporation or by the Corporation’s transfer agent and registrar. The Corporation may retain other persons or companies to solicit proxies on behalf of management in which event customary fees for such services will be paid. All costs of solicitation will be borne by the Corporation. The Corporation has sent the N&A Notice (as defined below) and a form of proxy or voting instruction form, as applicable, (the “**Notice Package**”) to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Corporation will not directly send the Notice Package to Beneficial Shareholders (as defined below). Instead, the Corporation will pay clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders whose Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Notice Package to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Notice Package to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending the Notice Package directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Odyssey Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Notice Package.

APPOINTMENT AND REVOCATION OF PROXIES

A registered Shareholder can vote by proxy whether or not he or she attends the Meeting. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A registered Shareholder desiring to appoint some other person to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the applicable form of proxy or by completing another proper form of proxy.** In either case, a registered Shareholder can vote by proxy by delivering the completed proxy to the Corporation's transfer agent and registrar, Odyssey Trust Company, (a) by mail to Attn: Proxy Department, 67 Yonge St., Suite 702, Toronto ON M5E 1J8 in the prepaid addressed envelope provided for that purpose, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12 digit control number so as to arrive by no later than 11:00 a.m. (Toronto time) on Friday, November 20, 2020, or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used. **If you wish that a person other than the management nominees identified on the proxy attend and participate at the Meeting as your proxy and vote your Shares, you must complete the additional step of registering the proxyholder by emailing Odyssey Trust Company at harborside@odysseytrust.com by no later than 11:00 a.m. (Toronto time) on Friday, November 20, 2020, or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting and ask questions, but will not be able to vote.**

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) at the registered office, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, at any time up to and including Monday, November 23, 2020; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Shares in their own name (referred to in this section as “**Beneficial Shareholders**”). If Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Shares will not be registered in such Shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting the Shares for their clients.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has distributed copies of the Notice Package to Intermediaries for onward distribution to all Beneficial Shareholders.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary 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 Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTICE-AND-ACCESS

The Corporation is utilizing the notice-and-access mechanism (“**Notice-and-Access**”) under NI 54-101 in the case of Beneficial Shareholders and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) in the case of registered Shareholders.

Notice-and-Access allows the Corporation to deliver this Circular to Shareholders via specified electronic means provided that the conditions of NI 54-101 and NI 51-102 are met.

In accordance with the abridgment provisions of NI 54-101, the Corporation set the Record Date (as defined below) at least 40 days before the Meeting and filed a form of notification of the Record Date and the date of the Meeting at least 3 business days before the Record Date.

Website Where Meeting Materials are Posted

The Notice-and-Access provisions are a set of rules that allow reporting issuers to choose to deliver proxy-related materials to registered Shareholders and Beneficial Shareholders by posting electronic versions of 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.

The Corporation will not rely upon the use of “stratification”. In order for a reporting issuer such as the Corporation to avail itself of the Notice-and-Access process, the Corporation must send a notice to Shareholders (the “**N&A Notice**”), including Beneficial Shareholders, indicating the websites where this Circular has been posted and explaining how a Shareholder can access the Circular online or obtain a paper copy from the Corporation as well as other basic information about the Meeting including, among other things, the matters to be voted on at the Meeting.

Electronic copies of the Circular, the Notice, the annual audited consolidated financial statements of the Corporation for the year ended December 31, 2019 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for the year ended December 31, 2019 (“**MD&A**”) are available on the Corporation’s SEDAR profile at www.sedar.com and online at <https://odysseytrust.com/client/harborside-inc/>. In relation to the Meeting, Shareholders with existing instructions on their account to receive printed materials and those Shareholders with addresses outside of Canada and the United States will receive a printed copy of the Notice Package. All other Shareholders will receive only the required notification documentation under Notice-and-Access, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Corporation anticipates that using Notice-and-Access for delivery 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 toll-free in North America at 1-888-290-1175. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Odyssey Trust Company at the same toll-free number. Requests should be received at least five (5) business days in advance of the proxy cut-off date set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of the date of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The close of business on Thursday, October 15, 2020 has been fixed as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) thereof. Only Shareholders of record on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment(s) thereof.

The voting securities of the Corporation consist of an unlimited number of Subordinate Voting Shares and an unlimited number of Multiple Voting Shares. Shareholders as the Record Date are entitled to vote on the basis of: (i) one vote for each Subordinate Voting Share held; and (ii) one hundred votes for each Multiple Voting Share held. As at the Record Date, the Corporation had issued and outstanding: (a) 21,890,166 Subordinate Voting Shares, representing approximately 51% of the voting rights attached to the outstanding voting securities of the Corporation, and (b) 209,607.79 Multiple Voting Shares, representing approximately 49% of the voting rights attached to the outstanding voting securities of the Corporation.

The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Corporation received the requisite prior approval of shareholders of the Lineage Grow Company Ltd. (the name of the Corporation prior to completion of its reverse takeover transaction (“**RTO**”) with FLRish, Inc. (“**FLRish**”)), at the special meeting of shareholders held on May 16, 2019.

The following is a summary of the rights, privileges, restrictions and conditions attached to the Subordinate Voting Shares and the Multiple Voting Shares:

Subordinate Voting Shares

Restricted Securities	The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws.
Right to Vote	Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.
Class Rights	As long as any Subordinate Voting Shares remain outstanding, the Corporation may not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. 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 Corporation.
Dividends	Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. No dividend may be declared or paid on the Subordinate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares.

Participation	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 holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all other holders of Subordinate Voting Shares and Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis).
Changes	No subdivision or consolidation of the Subordinate Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Conversion	In the event that an offer is made to purchase Multiple Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Multiple Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares in a given province or territory of Canada to which these requirements apply, 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 herein) 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 pursuant to the offer, and for no other reason. In such event, the Corporation's transfer agent shall deposit the resulting Multiple Voting Shares on behalf of the holder. Should the Multiple Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated, the Multiple Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Corporation or on the part of the holder, into Subordinate Voting Shares at the Conversion Ratio then in effect.

Multiple Voting Shares

Right to Vote	Holders of Multiple Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting, holders of Multiple Voting Shares are entitled to 100 votes per Multiple Voting Share held.
Class Rights	As long as any Multiple Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Multiple Voting Shares. Holders of Multiple Voting Shares will not be 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 Corporation.

Dividends Holders of Multiple Voting Shares are entitled to receive such dividends, *pari passu*, as may be declared and paid to holders of the Subordinate Voting Shares (on an as-converted to Subordinate Voting Share basis at the Conversion Ratio). No dividend will be declared or paid on the Multiple Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Multiple Voting Shares.

Participation 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 holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Multiple Voting Shares, be entitled to participate rateably along with all other holders of Subordinate Voting Shares and Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis).

Conversion The Multiple Voting Shares each have a restricted right to convert into 100 Subordinate Voting Shares (the “**Conversion Ratio**”), subject to adjustments for certain customary corporate changes. The ability to convert the Multiple Voting Shares is subject to a restriction that 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 *Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”)) may not exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions and subject to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels (see *Foreign Private Issuer Protection Limitation*, below). In addition, the Multiple Voting Shares will automatically convert into Subordinate Voting Shares in certain circumstances, including upon the registration of the Subordinate Voting Shares under the *United States Securities Act of 1933*, as amended.

In the event that an offer is made to purchase Subordinate Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a given province or territory of Canada to which these requirements apply, each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio 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 be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Multiple Voting Shares pursuant to the offer. Should the Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Corporation or on the part of the holder, into Multiple Voting Shares at the inverse of the Conversion Ratio then in effect.

Foreign Private
Issuer Protection
Limitation

The Corporation will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the Exchange Act). Accordingly, the Corporation 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 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.

In order to effect the FPI Protection 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 Corporation'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.

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

For purposes of these limitations, the board of directors of the Corporation (or a committee thereof) shall designate an officer of the Corporation 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 Corporation will provide each holder of record a notice of the FPI Protection Restriction and the impact the FPI Protective Provision 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 Protection 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 applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Corporation.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Shares are as follows:

Name	Number of Subordinate Voting Shares Owned, Controlled or Directed	Percentage of Outstanding Subordinate Voting Shares	Number of Multiple Voting Shares Owned, Controlled or Directed	Percentage of Outstanding Multiple Voting Shares	Percentage of Voting Rights Attached to all Outstanding Shares
Roger Jenkins ⁽¹⁾	-	-	113,976	54%	27%

Notes:

- (1) Inclusive of 111,566.26 Multiple Voting Shares held indirectly through Linnaeus Management Services, LLC and 2,409.63 Multiple Voting Shares held indirectly through Murray Fields & Company LLC. As at the date of this Circular, Mr. Jenkins also holds options exercisable into an aggregate of 240,000 Subordinate Voting Shares.

Redemption

At the option of the Corporation, Subordinate Voting Shares and/or Multiple Voting Shares owned by an Unsuitable Person (as defined below) may be redeemed by the Corporation for the redemption price out of funds lawfully available on the redemption date. Subordinate Voting Shares and Multiple Voting Shares will be redeemable at any time and from time to time. The Corporation may pay the redemption price by using its existing cash resources, incurring debt, issuing additional Subordinate Voting Shares and Multiple Voting Shares, issuing a promissory note in the name of the Unsuitable Person, or by using a combination of the foregoing sources of funding.

For purposes hereof, “**Unsuitable Person**” means:

- (i) any person with a five percent (5%) or more ownership interest in all of the issued and outstanding shares of the Corporation (a “**Significant Interest**”) who a governmental authority granting the licenses for the business has determined to be unsuitable to own shares of the Corporation; or
- (ii) any person 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 Corporation 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.

In connection with the conduct of the business of the Corporation, the Corporation may require that any 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 for the operation of the business of the Corporation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The general objectives of the Corporation's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

Elements of Compensation

The compensation of Named Executive Officers (as such term is defined below) is comprised of the following elements: (a) base salary; (b) an annual discretionary cash bonus; and (c) long-term equity incentives, consisting of Awards (as such term is defined below) granted under the Corporation's equity incentive plan. These principal elements of compensation are described in further detail below.

1. Base Salary

Each Named Executive Officer receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. Each Named Executive Officer's base salary is reviewed by the board of directors of the Corporation (the "**Board**") on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years.

2. Annual Cash Bonus

In addition to base salary, each Named Executive Officer may receive an annual discretionary cash bonus. Annual bonuses may be awarded by the Board based on qualitative and quantitative performance standards, and are intended to reward performance of Named Executive Officers individually. The determination of a Named Executive Officer's performance may vary from year to year depending on economic conditions and conditions in the cannabis industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

3. Equity Incentive Plan

The Corporation's current omnibus equity incentive plan (the "**Equity Incentive Plan**") was adopted by the Board on June 30, 2020. The Equity Incentive Plan permits the granting of (i) share options ("**Options**"), (ii) share appreciation rights ("**SARs**"), (iii) restricted share awards ("**Restricted Shares**"), (iv) restricted share units ("**RSUs**"), (v) performance awards ("**Performance Awards**"), (vi) dividend equivalents ("**Dividend Equivalents**") and (vii) other share based awards (collectively, the "**Awards**"). Awards are granted by either the Board or the compensation committee of the Board (the "**Compensation Committee**"). A copy of the Equity Incentive Plan is available on the Corporation's profile on SEDAR at www.sedar.com and is attached as Schedule "B" hereto.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the Equity Incentive Plan in the form set out as Schedule "B" hereto. If the Equity Incentive Plan is approved, all future Awards will be governed by the Equity Incentive Plan.

The Equity Incentive Plan is intended to promote the interests of the Corporation and its Shareholders by aiding the Corporation in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Corporation, to offer such persons incentives to put forth maximum efforts for the success of the Corporation's business and to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Corporation, thereby aligning the interests of such persons with Shareholders.

See "Particulars of Matters to be Acted Upon – Approval of Equity Incentive Plan" below for further details regarding the Equity Incentive Plan.

Compensation of Directors

The following table illustrates the compensation structure for the non-executive directors. The directors may also be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors in addition to the compensation as set out below.

Annual Retainer	
Chairperson of the Board	\$75,000
Non-executive director	\$36,000
Chairperson of each Committee	\$15,000

Officers of the Corporation who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation in their capacity as officers.

Compensation Risk

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Corporation's practice of compensating its officers primarily through a mix of salary, bonus and stock options is designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its shareholders. As at the date of this Circular, the Board had not identified risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Financial Instruments

Pursuant to the terms of the Corporation's Insider Trading Policy, the Corporation's officers and directors are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an officer or director.

Compensation Governance

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is composed of Tracy Geldert, Nayir Munoz and Matthew K. Hawkins, a majority of whom are "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Ms. Munoz is not considered independent as she was formerly employed by FLRish within the last three years.

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Corporation’s other senior officers is determined with regard to the Corporation’s business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Corporation’s compensation policies and practices. Each of the members of the Compensation Committee has experience on the board of directors and related committees of other public companies, as described under “Particulars of Matters to be Acted Upon – Election of Directors” in this Circular.

Executive Compensation-Related Fees

No executive compensation-related fees were paid in 2018 or 2019.

Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation paid or awarded to the following individuals: (i) the Interim Chief Executive Officer; (ii) the former Chief Executive Officer, (iii) the Chief Financial Officer; and (iv) the former Chief Financial Officer of the Corporation and (v) General Counsel and Corporate Secretary of the Corporation (collectively, the “**Named Executive Officers**”) for the Corporation’s two most recently completed financial years:

Name and principal position	Year	Salary/Fee (\$)	Share-based awards (\$)	Option-based awards⁽⁶⁾ (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
Peter Bilodeau ⁽¹⁾ Interim Chief Executive Officer	2019	101,561 ⁽⁷⁾⁽⁸⁾	-	20,579 ⁽⁷⁾	-	32,345 ⁽⁷⁾⁽⁸⁾	154,458 ⁽⁷⁾⁽⁸⁾
	2018	65,226 ⁽⁸⁾	-	128,772	-	-	193,998 ⁽⁸⁾
Andrew Berman ⁽¹⁾⁽²⁾ Former Chief Executive Officer	2019	278,508	562,306	-	-	510,000	1,350,814
	2018	274,231	1,253,294	1,815,600	572,427	-	3,915,552
Tom DiGiovanni ⁽³⁾ Chief Financial Officer	2019	21,263	-	-	-	10,000	31,263
	2018	-	-	-	-	-	-
Keith Li ⁽⁴⁾ Former Chief Financial Officer	2019	141,074 ⁽⁸⁾	-	5,255	-	-	146,329 ⁽⁸⁾
	2018	79,300 ⁽⁸⁾	-	24,755	-	-	104,055 ⁽⁸⁾
John H. “Jack” Nichols ⁽⁵⁾ General Counsel and Corporate Secretary	2019	305,230	-	-	-	1,470	306,700
	2018	303,000	153,000	573,231	-	840	1,030,071

Notes:

(1) Peter Bilodeau was appointed as Chief Executive Officer of the Corporation on October 1, 2015 and held such office until his resignation on April 24, 2017. Mr. Bilodeau was appointed as Chief Executive Officer of the Corporation on April 9, 2018. On May 30, 2019, in connection with the Corporation’s RTO with FLRish, Mr. Bilodeau resigned as Chief Executive Officer of the Corporation and Andrew Berman was appointed as Chief Executive Officer of the Corporation in his place. Mr. Berman subsequently resigned as Chief Executive Officer of the Corporation on October 25, 2019 and Mr. Bilodeau was appointed as Interim Chief Executive Officer of the Corporation. Mr. Bilodeau was paid for his service as Chief Executive Officer and Interim Chief Executive Officer by Emtra (as such term is defined below) pursuant to the terms of certain consulting services agreements between the Corporation and Emtra. See “Executive Compensation – Management Contracts – Termination and Change of Control Benefits – Emtra Agreements.”

- (2) Prior to May 30, 2019, Andrew Berman was the Chief Executive Officer of FLRish. In connection with the RTO, FLRish became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. Berman by both the Corporation and FLRish. Mr. Berman resigned as Chief Executive Officer of the Corporation on October 25, 2019.
- (3) Tom DiGiovanni was appointed as Chief Financial Officer of the Corporation on December 9, 2019. Mr. DiGiovanni was paid for his service as Chief Financial Officer by Newhouse (as such term is defined below) pursuant to the terms of a consulting service agreement between the Corporation and Newhouse. See “Executive Compensation – Management Contracts – Termination and Change of Control Benefits – Newhouse Agreement.”
- (4) Keith Li resigned as Chief Financial Officer of the Corporation on December 9, 2019. Prior to his resignation, Mr. Li was paid for his service as Chief Financial Officer by Branson Corporate Services Inc. (“**Branson Inc.**”) and subsequently by Branson Corporate Services Ltd. (“**Branson Ltd.**”) pursuant to the terms of certain consulting services agreements between the Corporation and Branson Inc. and between the Corporation and Branson Ltd., respectively. See “Executive Compensation – Management Contracts – Termination and Change of Control Benefits – Branson Agreements.”
- (5) Prior to May 30, 2019, John H. Nichols was General Counsel and Corporate Secretary of FLRish. In connection with the RTO, FLRish became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. Nichols by both the Corporation and FLRish.
- (6) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following assumptions:
- | Year | Risk-free Interest Rate | Expected Life | Weighted Expected Stock Price Volatility | Expected Dividend Yield |
|------|-------------------------|------------------|--|-------------------------|
| 2019 | 2.23% | 5 years | 145% | Nil% |
| 2018 | 2.18%-2.22% | 5.05 – 6.5 years | 100% | 0% |
- (7) Includes compensation provided to Mr. Bilodeau in his capacity as a director of the Corporation in the aggregate amount of \$103,224, comprised of \$52,500 in fees, \$20,579 in option-based awards and \$30,145 in other compensation.
- (8) Compensation paid in Canadian dollars and converted to United States dollars using the Exchange Rate.

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽³⁾ (\$)
Peter Bilodeau	11,957 8,152	8.05 ⁽²⁾ 5.31 ⁽³⁾	May-24-2023 Dec-14-2023	-	-	-	-
Andrew Berman	-	-	-	-	-	-	-
Tom DiGiovanni	-	-	-	-	-	-	-
Keith Li	2,989 2,989	8.05 ⁽²⁾ 5.31 ⁽³⁾	May-24-2023 Dec-14-2023	-	-	-	-
John H. “Jack” Nichols	532,631 200,000	0.05 4.15	Aug-1-2026 Apr-25-2028	248,117 -	33,750	17,410	-

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price for the Subordinate Voting Shares on the CSE on December 31, 2019 (the last trading day of the year ended December 31, 2019) and the exercise price of the options, multiplied by the number of unexercised options. For the purposes of this calculation, the closing price has been converted to United States dollars using the Exchange Rate.
- (2) Exercise price of CAD\$10.45 converted to United States dollars using the Exchange Rate.
- (3) Exercise price of CAD\$6.90 converted to United States dollars using the Exchange Rate.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the twelve months ended December 31, 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Peter Bilodeau	-	-	-
Andrew Berman	-	527,408	-
Tom DiGiovanni	-	-	-
Keith Li	-	-	-
John H. “Jack” Nichols	-	7,909	-

Note:

- (1) The “value vested during the year” is calculated based on the difference between the closing price for the Subordinate Voting Shares on the CSE as of the date of vesting (or the most recent closing price on the CSE, if applicable) and the exercise price of the options, multiplied by the number of vested options. For the purposes of this calculation, the closing price has been converted to United States dollars using the Exchange Rate.

Management Contracts – Termination and Change of Control Benefits

Emtra Agreements

On April 17, 2018, the Corporation entered into a consulting agreement with Emtra Business Services Inc. (“**Emtra**”), a company controlled by Mr. Peter Bilodeau, to provide Chief Executive Officer services to the Corporation through Mr. Bilodeau for a monthly fee of \$10,000 as well as a bonus to be determined at the discretion of the Board. On December 12, 2018, the Corporation and Emtra entered into an agreement pursuant to which the bonus component of the Emtra consulting agreement was determined to be a cash payment of \$100,000 payable to Mr. Bilodeau, as Chief Executive Officer, subject to certain milestones being met and the bonus amount applied to the exercise of options. On closing of the RTO, Mr. Bilodeau resigned as Chief Executive Officer of the Corporation and the Emtra agreements were terminated.

On October 25, 2019, Mr. Bilodeau was appointed as Interim Chief Executive Officer of the Corporation and the Corporation entered into a new consulting agreement with Emtra to provide Chief Executive Officer services to the Corporation through Mr. Bilodeau for a monthly fee of \$26,250 as well as a performance-based bonus for up to 50% of base salary to be determined at the discretion of the Board.

Branson Agreements

On April 1, 2015, the Corporation entered into an agreement with Branson Inc. to provide Chief Financial Officer, controllership, bookkeeping, administrative, and general and back office services for a monthly fee of CAD\$5,000 (the “**First Branson Agreement**”). On September 1, 2017, the First Branson Agreement was amended to increase the monthly fee to CAD\$8,000. Keith Li, the former Chief Financial Officer of the Corporation, was employed and compensated by Branson Inc. under the First Branson Agreement. On December 1, 2018, the First Branson Agreement was terminated and the Corporation entered into a new agreement with Branson Ltd. on the same terms as the First Branson Agreement. On June 1, 2019, the Corporation entered into its current agreement with Branson Ltd. pursuant to which Branson Ltd. provides controllership, bookkeeping, administrative, and general and back office services for a monthly fee of CAD\$15,000.

Newhouse Agreement

On December 9, 2019 the Corporation entered into a consulting agreement with Newhouse Development, LLC (“**Newhouse**”), a company controlled by Mr. Tom DiGiovanni, to provide Chief Financial Officer services to the Corporation through Mr. DiGiovanni for a monthly fee of \$22,916 as well as a performance-based bonus for up to 35% of base salary to be determined at the discretion of the Board. Mr. DiGiovanni also received a \$10,000 bonus on signing of the Newhouse agreement and is entitled to a monthly housing allowance of \$3,500 plus an additional monthly allowance of \$1,500 intended to cover health, vision, and dental insurance. Pursuant to the Newhouse agreement, termination without cause within 12 months of a change of control event entitles Mr. DiGiovanni to three months of base salary.

Andrew Berman

Under the terms of Andrew Berman’s employment agreement, in the event of termination by expiration or without cause, Mr. Berman was 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. Mr. Berman resigned as Chief Executive Officer of the Corporation on October 25, 2019 and his employment agreement was terminated at that time.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than directors who are also Named Executive Officers) during the year ended December 31, 2019:

Name ⁽¹⁾	Fees Earned (\$)	Share-based awards (\$)	Option-based awards ⁽⁴⁾ (\$)	All other compensation (\$)	Total (\$)
Sherri Altshuler ⁽¹⁾	21,000	-	-	-	21,000
Tracy Geldert ⁽¹⁾	29,750	-	-	-	29,750
Matthew Hawkins ⁽¹⁾	29,750	-	-	-	29,750
Peter Kampion ⁽²⁾	-	-	-	-	-
Nayir Felix Munoz ⁽¹⁾	21,000	-	-	85,000	106,000
David Posner ⁽³⁾	-	-	2,752	-	2,752
Robert Schwartz ⁽³⁾	-	-	3,440	-	3,440
Hamish Sutherland ⁽³⁾	-	-	3,440	-	3,440
Adam Szweras ⁽¹⁾	21,000	-	8,231	-	29,231
Aurelio Useche ⁽³⁾	-	-	4,816	-	4,816

Notes:

- (1) Appointed to the Board on May 30, 2019, in connection with closing of the RTO.
- (2) Appointed to the Board on August 25, 2020.
- (3) Served as a member of the Board until May 30, 2019.
- (4) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following assumptions:

Year	Risk-free Interest Rate	Expected Life	Weighted Expected Stock Price Volatility	Expected Dividend Yield
2019	2.23%	5 years	145%	Nil%

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than directors who are also Named Executive Officers) as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sherri Altshuler ⁽²⁾	-	-	-	-	-	-	-
Tracy Geldert ⁽²⁾	1,927 20,000 24,000	0.05 0.05 4.15	Aug-1-2026 Jul-26-2017 Apr-25-2028	898 9,317 -	-	-	-
Matthew Hawkins ⁽²⁾	350 8,000	0.05 4.15	Aug-1-2026 May-15-2028	163 -	-	-	-
Peter Kampian ⁽³⁾	-	-	-	-	-	-	-
Nayir Felix Munoz ⁽²⁾	17,520	0.05	Aug-1-2026	7,161	-	-	-
David Posner ⁽⁴⁾	-	-	-	-	-	-	-
Robert Schwartz ⁽⁴⁾	-	-	-	-	-	-	-
Hamish Sutherland ⁽⁴⁾	-	-	-	-	-	-	-
Adam Szweras ⁽²⁾	4,783 7,147	8.05 ⁽⁵⁾ 5.31 ⁽⁶⁾	May-24-2023 Dec-14-2020	- -	-	-	-
Aurelio Useche ⁽⁴⁾	-	-	-	-	-	-	-

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price for the Subordinate Voting Shares on the CSE on December 31, 2019 (the last trading day of the year ended December 31, 2019) and the exercise price of the options, multiplied by the number of unexercised options. For the purposes of this calculation, the closing price has been converted to United States dollars using the Exchange Rate.
- (2) Appointed to the Board on May 30, 2019, in connection with closing of the RTO.
- (3) Appointed to the Board on August 25, 2020.
- (4) Served as a member of the Board until May 30, 2019.
- (5) Exercise price of CAD\$10.45 converted to United States dollars using the Exchange Rate.
- (6) Exercise price of CAD\$6.90 converted to United States dollars using the Exchange Rate.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned by each director of the Corporation (other than directors who are also Named Executive Officers) during the year ended December 31, 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Sherri Altshuler ⁽²⁾	-	-	-
Tracy Geldert ⁽²⁾	-	-	-
Matthew Hawkins ⁽²⁾	-	-	-
Peter Kampian ⁽³⁾	-	-	-
Nayir Felix Munoz ⁽²⁾	-	-	-
David Posner ⁽⁴⁾	2,752	-	-

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Schwartz ⁽⁴⁾	3,440	-	-
Hamish Sutherland ⁽⁴⁾	3,440	-	-
Adam Szweras ⁽²⁾	8,231	-	-
Aurelio Useche ⁽⁴⁾	4,816	-	-

Notes:

- (1) The “value vested during the year” is calculated based on the difference between the closing price for the Subordinate Voting Shares on the CSE as of the date of vesting (or the most recent closing price on the CSE, if applicable) and the exercise price of the options, multiplied by the number of vested options. For the purposes of this calculation, the closing price has been converted to United States dollars using the Exchange Rate. All options granted to the directors vested in equal annual instalments over the three year period from the date of grant.
- (2) Appointed to the Board on May 30, 2019, in connection with closing of the RTO.
- (3) Appointed to the Board on August 25, 2020.
- (4) Served as a member of the Board until May 30, 2019.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Subordinate Voting Shares to be issued upon exercise of outstanding Options pursuant to the Corporation’s equity incentive plan as at December 31, 2019:

Plan Category	Number of Subordinate Voting Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (\$)	Number of Subordinate Voting Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,305,901	1.26	4,113,641
Equity compensation plans not approved by security holders	-	-	-
Total	4,305,901	1.26	4,113,641

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the aggregate indebtedness of executive officers, directors, employees and former executive officers, directors and employees of the Corporation and its subsidiaries to the Corporation and its subsidiaries pursuant to the purchase of securities or otherwise as at the date of this Circular:

AGGREGATE INDEBTEDNESS		
Purpose	To the Corporation or its Subsidiaries (\$)	To another entity
Share Purchases	-	-
Other	100,000	-

The following table sets out indebtedness for each individual who is, or at any time during the twelve month period ended December 31, 2019 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, to the Corporation and any of its subsidiaries during the twelve month period ended December 31, 2019 or as at the date of this Circular in connection with security purchase programs or other programs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS						
Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During the twelve month period ended December 31, 2019 (\$)	Amount Outstanding as at the date of this Circular (\$)	Financially Assisted Securities Purchases the twelve month period ended December 31, 2019 (#)	Security for Indebtedness	Amount Forgiven During the twelve month period ended December 31, 2019 (\$)
Securities Purchase Programs						
-	-	-	-	-	-	-
Other Programs						
John H. “Jack” Nichols General Counsel and Corporate Secretary	Lender (FLRish)	-	100,000 ⁽¹⁾	N/A	N/A	-

Note:

- (1) Mr. Nichols is indebted to FLRish pursuant to a term promissory note dated as of September 1, 2020 in the principal amount of \$100,000. The loan is secured against 400,000 SVS held by Mr. Nichols, bears interest at a rate of 4% per annum with an initial maturity date of March 31, 2021. The maturity date may be extended by 90 days at the option of FLRish.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, is set out at Schedule “A” to this Circular.

AUDIT COMMITTEE DISCLOSURE

Audit Committee’s Charter

The charter (the “**Audit Committee Charter**”) of the audit committee of the Corporation (the “**Audit Committee**”) is reproduced as Schedule “C” to this Circular.

Composition of Audit Committee

The Audit Committee is composed of Peter Kampian (Chair), Nayir Munoz and Adam Szweras, each of whom is a director of the Corporation. None of the Audit Committee members are employees, executive

officers or control persons of the Corporation, in accordance with the composition requirements for venture issuers under NI 52-110.

Mr. Kampian is considered an “independent” member of the Audit Committee as such term is defined in NI 52-110. Mr. Szweras is not considered independent as he was formerly an executive officer the Corporation, he indirectly received compensation for services provided through certain affiliated entities in connection with the RTO and is a partner at Fogler, Rubinoff LLP which provided legal services to the Corporation and has been paid legal fees in connection with the RTO. Ms. Munoz is not considered independent as she was formerly employed by FLRish within the last three years. As a venture issuer, the Corporation is exempt from the requirement under NI 52-110 that every member of the Audit Committee must be independent. See “Venture Issuer Exemption” below.

The Corporation is of the opinion that all members of the Audit Committee are “financially literate” as such term is defined in NI 52-110. As a venture issuer, the Corporation is exempt from the requirement under NI 52-110 that every member of the Audit Committee must be financially literate. See “Venture Issuer Exemption” below.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Peter Kampian has served as Chief Financial Officer of DionyMed Holdings Inc., a California based cannabis branding and distribution company. He was also the Chief Financial Officer of Mettrum Health Corp., where he was instrumental in taking the company public in 2014, and facilitating the acquisition of the company by Canopy Growth Corporation in 2017 for C\$430 million. Previously, Mr. Kampian was Chief Financial Officer of Algonquin Power Income Fund (now Algonquin Power & Utilities Corp – TSX trading symbol AQN). He serves as director and chair of the audit committee of Red Pine Exploration Inc., a company listed on the (TSX-V: RPX). Mr Kampian is acting as Chief Restructuring Officer for Muskoka Grown Ltd, a premium Canadian cannabis cultivation operator and for PharmHouse Inc, a Canadian greenhouse cannabis operator. Mr. Kampian is a Canadian Chartered Accountant (CPA, CA) and a member of the Institute of Corporate Directors, and holds the ICD.D designation for directors.

Nayir Munoz is an HR and operations professional with thirteen years in the cannabis industry, sixteen years of management experience, and 22 years of retail experience. For twelve years she worked on the forefront of the cannabis industry with California-based Harborside, a leader in the industry. With Harborside 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 with Harborside was Chief Administrative Officer. Ms. Munoz is currently Chief Administrative Officer for DNA Genetics, a highly regarded cannabis brand known for their genetic selection, breeding, and cultivation. Ms. Munoz holds a Bachelor 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.

Adam Szweras practices securities law with Fogler, Rubinoff LLP in Toronto and is Chairman of the Foundation Markets Group, a Toronto based Merchant Bank and brokerage firm. Adam both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Adam has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Adam works with public and private companies active in cannabis

markets in Canada and the US as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Adam has experience in representing clients in Canada and the US as well as South America, China and South Asia. Education: Adam obtained his LLB from Osgoode Hall Law School in June 1994 and previously attended York University.

Audit Committee Oversight.

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the board of directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

Audit Fees – The Corporation's external auditor invoiced approximately CAD\$1,039,007 for the financial year ended December 31, 2019 and CAD\$204,265 for the financial year ended January 31, 2019.

Audit-Related Fees – The Corporation's external auditor invoiced nil for the financial year ended December 31, 2019 and CAD\$12,091 for the financial year ended January 31, 2019. These fees related to work performed in relation to the RTO.

Tax Fees – The Corporation's external auditor invoiced nil for the financial year ended December 31, 2019 and nil for the financial year ended January 31, 2019.

All Other Fees – The Corporation's external auditor invoiced no other fees for the financial year ended December 31, 2019 and for the financial year ended January 31, 2019.

Venture Issuer Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

Management of the Corporation has nominated seven directors for election at the Meeting, namely, Peter Bilodeau, Sherri Altshuler, Tracy Geldert, Matthew Hawkins, Peter Kampian, Nayir Felix Munoz and Adam Szweras. Each director elected will hold office until the next annual meeting of shareholders or until his or successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed form of proxy permits Shareholders to vote for all nominees together or for each nominee on an individual basis.

The Board recommends that Shareholders vote FOR each of its nominees for director.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Advance Notice Requirement

The Corporation's By-Law No. 2 contains a requirement providing for advance notice of nominations of directors (the "**Advance Notice Requirement**") in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided 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. The Corporation's By-Law No. 2 is available under the Corporation's profile on SEDAR at www.sedar.com.

Director Nominee Profiles

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors.

PETER BILODEAU		Principal Occupation and Biographical Information	
Ontario, Canada Director Since: October 2013	Peter Bilodeau is a serial entrepreneur across various sectors, including cannabis, merchant and investment banking, retail, manufacturing, real estate, and oil & gas. He is President and CEO of Foundation Markets Inc. and FMI Capital Advisory Inc. Prior to launching his entrepreneurial career, Peter 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 various types of real property valuation. Mr. Bilodeau's business prowess is frequently called upon through his finance and consulting business and as a member of the Board of Directors of several companies. Peter has a Masters Degree in Business Administration, with a specialty in Financial Services, from Dalhousie University, Halifax, Nova Scotia, Canada.		
Current Board/Committee Membership		Other Public Board Memberships	
Member of the Board		None.	
Number of Securities Beneficially Owned, Controlled or Directed⁽¹⁾		767,928 ⁽²⁾	

Notes:

- (1) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (2) Mr. Bilodeau holds 56,887 Subordinate Voting Shares and 530,109 Options directly, as well as 172,265 Subordinate Voting Shares indirectly through Emtra and 5,319 Subordinate Voting Shares and 3,348 warrants of Harborside ("Warrants") indirectly through SMN Corp. Each Option and Warrant is exercisable into one Subordinate Voting Share in accordance with its terms.

SHERRI ALTSHULER		Principal Occupation and Biographical Information	
Ontario, Canada Director Since: May 2019	Sherri Altshuler is a partner at Aird & Berlis LLP and Co-Chair of the firm's Capital Markets and Cannabis Groups. Ms. Altshuler's practice focuses on public and private financings, go-public 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. Ms. Altshuler is also recognized as a leading lawyer in Cannabis Law by <i>Chambers Canada</i> and <i>The Best Lawyers in Canada</i> . She is a member of the TSX Venture Exchange Ontario Advisory Committee and a former member of the Ontario Securities Commission Small and Medium Enterprises Committee. Ms. Altshuler also instructs Corporate Finance at Windsor Law School.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Governance and Nominating Committee		MJ Innovation Capital Corp.	
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		135,000 ⁽³⁾	

Notes:

- (1) Ms. Altshuler was appointed to the Board on May 30, 2019.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Ms. Altshuler holds 135,000 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

TRACY GELDERT		Principal Occupation and Biographical Information	
California, United States Director Since: May 2019	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 demonstrated success in securing multiple blue-chip contracts and 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.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Compensation Committee Member of the Governance and Nominating Committee	None.		
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		220,927 ⁽³⁾	

Notes:

- (1) Ms. Geldert was appointed to the Board on May 30, 2019.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Ms. Geldert holds 220,927 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

MATTHEW HAWKINS		Principal Occupation and Biographical Information	
Texas, United States Director Since: May 2019	Matt Hawkins is the Founder and Managing Principal of Entourage Effect Capital (EEC), formerly known as Cresco Capital Partners, a private equity firm focused specifically on investing in the legalized cannabis industry. Since 2014, the firm has invested out of two coinvestment vehicles and special purpose entities with over \$160MM in AUM, and is currently raising its third fund. Prior to founding EEC, he was a Partner and President of a real estate investment company which acquired REO and NPL from banks and financial institutions across the country. 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. Matt is a graduate of The University of Texas at Austin.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Compensation Committee	None.		
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		1,044,915 ⁽³⁾	

Notes:

- (1) Mr. Hawkins was appointed to the Board on May 30, 2019.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Mr. Hawkins holds an aggregate of 8,915.65 Multiple Voting Shares indirectly through CCP FLRISH, LLC, Cresco Capital Partners II, LLC and Cresco Capital Partners, LLC. Mr. Hawkins also holds 153,350 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

PETER KAMPAN		Principal Occupation and Biographical Information	
Ontario, Canada Director Since: August 2020	Peter Kampian has served as Chief Financial Officer of DionyMed Holdings Inc., a California based cannabis branding and distribution company. He was also the Chief Financial Officer of Mettrum Health Corp., where he was instrumental in taking the company public in 2014, and facilitating the acquisition of the company by Canopy Growth Corporation in 2017 for C\$430 million. Previously, Mr. Kampian was Chief Financial Officer of Algonquin Power Income Fund (now Algonquin Power & Utilities Corp – TSX trading symbol AQN). He serves as director and chair of the audit committee of Red Pine Exploration Inc., a company listed on the (TSX-V: RPX). Mr Kampian is acting as Chief Restructuring Officer for Muskoka Grown Ltd, a premium Canadian cannabis cultivation operator and for PharmHouse Inc, a Canadian greenhouse cannabis operator. Mr. Kampian is a Canadian Chartered Accountant (CPA, CA) and a member of the Institute of Corporate Directors, and holds the ICD.D designation for directors.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Audit Committee Member of the Governance and Nominating Committee Member of the Special Committee	Red Pine Exploration Inc. (TSXV)		
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		130,000 ⁽³⁾	

Notes:

- (1) Mr. Kampian was appointed to the Board on August 25, 2020.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Mr. Kampian holds 130,000 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

NAYIR FELIX MUNOZ		Principal Occupation and Biographical Information	
California, United States Director Since: May 2019	Nayir Munoz is an HR and operations professional with thirteen years in the cannabis industry, sixteen years of management experience, and 22 years of retail experience. For twelve years she worked on the forefront of the cannabis industry with California-based Harborside, a leader in the industry. With Harborside 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 with Harborside was Chief Administrative Officer. Ms. Munoz is currently Chief Administrative Officer for DNA Genetics, a highly regarded cannabis brand known for their genetic selection, breeding, and cultivation. Ms. Munoz holds a Bachelor 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.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Audit Committee Member of the Governance and Nominating Committee Member of the Special Committee	None.		
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		582,520 ⁽³⁾	

Notes:

- (1) Ms. Munoz was appointed to the Board on May 30, 2019.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Ms. Munoz holds 400,000 Subordinate Voting Shares and 182,520 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

ADAM SZWERAS		Principal Occupation and Biographical Information	
Ontario, Canada Director Since: May 2019	Adam Szweras practices securities law with Fogler, Rubinoff LLP in Toronto and is Chairman of the Foundation Markets Group, a Toronto based Merchant Bank and brokerage firm. Adam both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Adam has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Adam works with public and private companies active in cannabis markets in Canada and the US as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Adam has experience in representing clients in Canada and the US as well as South America, China and South Asia. Education: Adam obtained his LLB from Osgoode Hall Law School in June 1994 and previously attended York University.		
Current Board/Committee Membership ⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Audit Committee Member of the Special Committee	SustainCo Inc. (TSXV) Nutritional High International Inc. (CSE) Aurora Cannabis Inc. (TSX)		
Number of Securities Beneficially Owned, Controlled or Directed ⁽²⁾		403,097 ⁽³⁾	

Notes:

- (1) Mr. Szweras was appointed to the Board on May 30, 2019.
- (2) Represents Subordinate Voting Shares together with Multiple Voting Shares, Options and any other convertible securities, on a fully diluted basis.
- (3) Mr. Szweras holds 175,687 Subordinate Voting Shares indirectly through 2674775 Ontario Limited. Mr. Szweras also holds 80,453 Subordinate Voting Shares and 146,957 Options directly. Each Option is exercisable into one Subordinate Voting Share in accordance with its terms.

Corporate Cease Trade Orders

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

On June 8, 2020, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order against the Corporation in connection with the Corporation’s refiling of certain historical financial statements of FLRish for the fiscal years ended December 31, 2017 and 2018 and the interim period ended March 31, 2019, and financial statements and related management’s discussion and analysis for the interim periods ended June 30, 2019 and September 30, 2019 due primarily to changes in the application of accounting treatments related to certain transactions by FLRish. On June 16, 2020, the OSC issued a management cease trade order (“**MCTO**”) against the Corporation in respect of the delayed filing of its Financial Statements and MD&A. The MCTO was subsequently revoked and, on July 15, 2020, the OSC issued a cease trade

order against the Corporation in connection with the Corporation's failure to file its Financial Statements and MD&A by the prescribed deadline. The cease trade orders were revoked on August 31, 2020.

Adam Szweras was a director and Secretary of Bassett Media Group Corp., a TSXV-listed company, until March 16, 2010. Bassett Media Group Corp. has been subject to a cease trade order since June 16, 2010 for failing to file financial statements, management's discussion and analysis and certification of disclosure.

Adam Szweras was appointed as a director of Mahdia Gold Corp. on April 14, 2016. Mahdia was a CSE-listed company until February 4, 2016. Mahdia Gold Corp. 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.

Peter Bilodeau was Chief Executive Officer and a director of Onco Petroleum Inc. ("**Onco**"), a company listed on the CNQ (now the CSE), from September 2008 to April 2011. In July 2008, prior to Mr. Bilodeau assuming his position with Onco, a cease trade order was issued against Onco for failing to file financial statements. See "Bankruptcies, Penalties or Sanctions" below for further details.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or 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;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to 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
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Peter Bilodeau was CEO and director of Onco from September 2008 to April 2011. On March 30, 2010, a receiver was appointed for Onco by the Ontario Superior Court and Onco's assets were sold off. Energex Petroleum Inc., a company founded by Mr. Bilodeau, filed for bankruptcy in June 2016. Due to his heavy investment in the aforementioned companies, Mr. Bilodeau filed a creditor proposal in June 2016. It was discharged in February 2017.

Peter Kampian was CFO of DionyMed Brands Inc. ("**DionyMed**") from November 2018 to March 2020. A receiver was appointed for DionyMed by the Supreme Court of British Columbia on October 29, 2019.

Peter Kampian was a director of James E Wagner Cultivation Corporation ("**JWC**") and also a member of the special committee of the board of JWC, which is mandated to restructure the financial affairs of JWC. JWC filed for protection under the *Companies' Creditor Arrangement Act* on April 1, 2020. On August 28, 2020, the sale of the JWC assets was completed and the Mr. Kampian resigned from the board of JWC.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

2. Appointment 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 Corporation’s profile. The reporting package, which was attached as Exhibit 6 to the Corporation’s management information circular dated April 9, 2019, 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.

Management proposes to nominate MNP LLP as auditor of the Corporation to hold office until the next annual meeting of Shareholders. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the appointment of the auditor.

The Board recommends that Shareholders vote FOR the appointment of MNP LLP as auditor of the Corporation.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. Approval of Equity Incentive Plan

Summary of Equity Incentive Plan

The Board adopted the Equity Incentive Plan on June 30, 2020. At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the Equity Incentive Plan in the form set out as Schedule “B” hereto. If the Equity Incentive Plan is approved, all future Awards will be governed by the Equity Incentive Plan.

As at the date of this Circular, an aggregate of 6,579,257 Options were outstanding under the Equity Incentive Plan, representing approximately 15.4% of the voting rights attached to the outstanding Shares of the Corporation.

The Equity Incentive Plan permits the granting of the following Awards: (i) Options, (ii) SARs, (iii) Restricted Shares, (iv) RSUs, (v) Performance Awards, (vi) Dividend Equivalents, and (vii) other share based awards, as more fully described below. Awards are granted by either the Board or the Compensation Committee. All rights and obligations noted below of the Compensation Committee in respect of the Equity Incentive Plan may, at any time and from time to time, be exercised by the Board.

Purpose

The Equity Incentive Plan is intended to promote the interests of the Corporation and its Shareholders by aiding the Corporation in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Corporation, to offer such persons incentives to put forth maximum efforts for the success of the Corporation’s business and to compensate

such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Corporation, thereby aligning the interests of such persons with Shareholders.

Eligibility

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

Any Shares subject to an Award granted under the Equity Incentive Plan that are purchased, forfeited, reacquired by the Corporation (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 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 Corporation, issuance of warrants or other rights to acquire securities or other securities of the Corporation, or other similar corporate transaction or event, which affects the securities, or unusual or nonrecurring events affecting the Corporation, or the financial statements of the Corporation, 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 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 Equity Incentive Plan.

If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, within 90 days following the date on which it ceased to be an Eligible Person, or within 30 days if such Participant is an investor relations person or holder of "incentive stock options", exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The Committee may extend such 90 or 30 day period, as applicable, subject to obtaining any approval required by the CSE and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire on such date, unless extended pursuant to the Equity Incentive Plan. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire immediately following the 90 or 30 day period, as applicable, unless extended pursuant to the Equity Incentive Plan.

Shares Available

Subject to adjustment as provided in the Equity Incentive Plan, the aggregate number of Subordinate Voting Shares that may be issued under all Awards under the Equity Incentive Plan shall be determined by the Board from time to time ("**Overall Plan Limit**"). As of the date of this Circular, the Board has determined that the Overall Plan Limit shall be 8,559,810 Subordinate Voting Shares, representing 20% of the issued and outstanding Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) as of the date on which the Equity Incentive Plan was adopted by the Board.

Notwithstanding the foregoing, the aggregate number of Subordinate Voting Shares that may be issued pursuant to awards of “incentive stock options” to be issued to United States residents eligible under the Equity Incentive Plan shall not exceed 4,279,905 Subordinate Voting Shares, representing 10% of the issued and outstanding Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) as of the date on which the Equity Incentive Plan was adopted by the Board.

Limitations

The aggregate number of Subordinate Voting Shares issuable to directors and executive officers of the Company (“**Related Persons**”) pursuant to the Equity Incentive Plan and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) then outstanding.

The aggregate number of Subordinate Voting Shares issued to Related Persons pursuant to the Equity Compensation Plan and all other security based compensation arrangements, within any one-year period, shall not exceed 10% of the total number of Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) then outstanding.

The total number of Subordinate Voting Shares which may be issued or issuable to any one Related Person and the associates of the Related Person pursuant to the Equity Incentive Plan and all other security based compensation arrangements, within any one-year period, shall not exceed 5% of the total number of Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) then outstanding.

So long as the Corporation is listed on the CSE, the aggregate number of Subordinate Voting Shares issued or issuable to persons providing investor relations activities (as defined in the policies of the CSE) as compensation, within any one-year period, shall not exceed 1% of the total number of Shares (calculated on a partially diluted basis, assuming the conversion of all Multiple Voting Shares) then outstanding.

Awards

Options

Under the terms of the Equity Incentive Plan, unless the Compensation 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 may not be lower than the greater of the closing market price of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the Options and (b) the date of grant of the Options. Options granted under the 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 Committee and specified in the applicable award agreement. The maximum term of an Option granted under the 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 Shares and RSUs

Awards of Restricted Shares and RSUs shall be subject to such restrictions as the Compensation 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 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 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 Corporation for cancellation at no cost to the Corporation; provided, however, that the Compensation Committee may waive in whole or in part any or all remaining restrictions with respect to shares of Restricted Shares or RSUs. Pursuant to the policies of the CSE, the value ascribed to the Subordinate Voting Shares covered by the Restricted Share or RSU may not be lower than the greater of the closing market price of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the Restricted Shares or RSUs, and (b) the date of grant of the Restricted Shares or RSUs. Any Restricted Share or RSU granted under the Equity Incentive Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Compensation Committee may deem appropriate.

Share Appreciation Rights

A SAR granted under the 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 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 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 Corporation or an affiliate. Notwithstanding the foregoing, pursuant to the rules of the CSE, Subordinate Voting Shares issued in connection with SARs may not be priced lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the SAR, and (b) the date of grant of the SAR. Subject to the terms of the Equity Incentive Plan, the policies of the CSE 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 Committee. The Compensation 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 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 Committee shall establish. Notwithstanding the foregoing, pursuant to the rules of the CSE, Performance Awards may not be priced lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the Performance Award, and (b) the date of grant of the Performance Award. Subject to the terms of the Equity Incentive Plan and the policies of the CSE, 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 Committee.

Dividend Equivalents

A Dividend Equivalent granted under the 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 Committee) equivalent to the amount of cash dividends paid by the Corporation to holders of Subordinate Voting Shares with respect to a number of Subordinate Voting Shares as determined by the Compensation Committee. Subject to the terms of the Equity Incentive Plan, the

policies of the CSE and any applicable award agreement, such Dividend Equivalents may have such terms and conditions as the Compensation Committee shall determine. Notwithstanding the foregoing, (i) the Compensation 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. Subject to the terms of the Equity Incentive Plan, the policies of the CSE and any applicable award agreement, such Dividend Equivalents may have such terms and conditions as the Compensation Committee shall determine, provided that pursuant to the rules of the CSE, Dividend Equivalents may not be priced lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the Dividend Equivalent, and (b) the date of grant of the Dividend Equivalent.

Other

In addition, Awards may be granted under the Equity Incentive Plan that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Subordinate Voting Shares (including, without limitation, securities convertible into Subordinate Voting Shares), as are deemed by the Compensation Committee to be consistent with the purpose of the Equity Incentive Plan in accordance with applicable regulations, provided that pursuant to the rules of the CSE, such Awards may not be priced lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the Award, and (b) the date of grant of the Award.

General

The Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate, subject to compliance with CSE policies. Generally, Awards granted under the Equity Incentive Plan shall be non-transferable.

The Compensation Committee may amend, suspend, discontinue or terminate the Equity Incentive Plan; 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 Corporation or any other similar corporate transaction or event involving the Corporation (or the Corporation entering into a written agreement to undergo such a transaction or event), the Compensation Committee or the 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 Committee or the 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 Corporation 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.

Approval of the Equity Incentive Plan

The Board has unanimously approved the Equity Incentive Plan and recommends that Shareholders vote FOR the resolution regarding the Equity Incentive Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the Equity Incentive Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“RESOLVED THAT:

1. the Equity Incentive Plan of the Corporation, in the form attached as Schedule “B” to the management information circular of the Corporation dated October 15, 2020, is hereby authorized, confirmed and approved; and
2. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving 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.”

The Board recommends that Shareholders vote FOR the Equity Incentive Plan.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE EQUITY INCENTIVE PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE EQUITY INCENTIVE PLAN.

4. Approval of Articles of Amendment

Management proposes to make certain amendments of a housekeeping nature to the special shares of the Corporation to correct certain clerical errors and, following their redemption or conversion in accordance

with their terms, to remove the special shares from the authorized capital of the Corporation, by the filing of articles of amendment substantially in the draft forms attached hereto as Schedule “D” (collectively, the “**Articles of Amendment**”).

There are no changes to Subordinate Voting Share and Multiple Voting Share provisions, which received the requisite prior approval of shareholders of the Lineage Grow Company Ltd. (the name of the Corporation prior to completion of its RTO with FLRish at the special meeting of shareholders of the Corporation held on May 16, 2019).

The Board has unanimously approved the Articles of Amendment and recommends that Shareholders vote FOR the resolution regarding the Articles of Amendment. An affirmative vote of not less than 66 2/3 of the votes cast at the Meeting is sufficient to pass the resolution approving the Articles of Amendment.

The complete text of the special resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. the Articles of Amendment of the Corporation, in the draft forms attached as Schedule “D” to the management information circular of the Corporation dated October 15, 2020, are hereby authorized and approved to be filed by or on behalf of the Corporation; and
2. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving 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.”

The Board recommends that the Shareholders vote FOR the Articles of Amendment.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE ARTICLES OF AMENDMENT IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF NOT LESS THAN TWO-THIRDS OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE ARTICLES OF AMENDMENT.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last completed financial year, no proposed nominee for election as a director of the Corporation 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 upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation’s profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s Financial Statements and MD&A for the financial year ended December 31, 2019. In addition, copies of the Corporation’s annual

Financial Statements, MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: October 15th, 2020.

“Peter Bilodeau”

Peter Bilodeau
Interim Chief Executive Officer and Director

SCHEDULE "A"
STATEMENT OF GOVERNANCE PRACTICES

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101")	Comments
Board of Directors	
1. Board of Directors—Disclose how the board of directors (the “ Board ”) of Harborside Inc. (the “ Corporation ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The proposed Board shall consist of seven directors, three of whom are considered “independent”. Mr. Bilodeau is not considered independent as he is an executive officer of the Corporation. Mr. Szweras is not considered independent as he was formerly an executive officer the Corporation, he indirectly received compensation for services provided through certain affiliated entities in connection with the Corporation’s reverse take-over of FLRish, Inc. (the “ RTO ”) and is a partner at Fogler, Rubinoff LLP which provided legal services to the Corporation and has been paid legal fees in connection with the RTO. Ms. Altshuler is not considered independent as she is a partner at Aird & Berlis LLP which provides legal services to the Corporation and has been and will be paid legal fees for such services. Ms. Munoz is not considered independent as she was formerly employed by FLRish, Inc. within the last three years.
2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the accompanying management information circular dated October 15, 2020 (the “ Circular ”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
Orientation and Continuing Education	
3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each director ultimately assumes responsibility for keeping himself or herself informed about the Corporation’s business and relevant developments outside the Corporation that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Corporation’s business and developments in areas where they are not commonly exposed.
Ethical Business Conduct	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
	of the Board meeting concerning such matters and will be further precluded from voting on such matters.
Nomination of Directors	
5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.
Compensation	
6. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of the accompanying Circular.
Other Board Committees	
7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any standing committees other than the Corporate Governance and Nominating Committee, the Compensation Committee and the Audit Committee.
Assessments	
8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee.

SCHEDULE "B"
EQUITY INCENTIVE PLAN

HARBORSIDE INC.

ADOPTED BY THE BOARD OF DIRECTORS: JUNE 30, 2020

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 Stock 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 Stock Option*” shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.
- (t) “*Option*” shall mean an Incentive Stock Option or a Non-Qualified Stock 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 31 of 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 Stock Options shall not exceed 4,279,905 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 Related Person and the associates of the Related 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, including Shares issuable upon conversion of multiple voting shares of the Company, outstanding 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

(a) 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 Stock 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 Stock 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.

(b) Ceasing to be an Eligible Person. If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, but only within 90 days following the date on which it ceased to be an Eligible Person, or within 30 such days if such Participant is an investor relations person or holder of Incentive Stock Options, exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The Committee may extend such 90 or 30 day period, as applicable, subject to obtaining any approval required by the stock exchange on which the Shares then trade, if any, and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire on such date, unless extended as contemplated herein. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire immediately following the 90 or 30 day period, as applicable, unless extended as contemplated herein.

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 stock 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 an Option 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 Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options which are intended to qualify as Incentive Stock Options:
 - (A) The Committee will not grant Incentive Stock 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 Stock 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 Stock 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 Stock 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 Stock 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 shares of the Company or of its Affiliates, such Incentive Stock 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 Stock Option shall be not less than 100% of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option; *provided, however*, that, in the case of the grant of an Incentive Stock 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 shares of the Company or of its Affiliates, the purchase price per Share purchasable under an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option.
- (E) Any Incentive Stock 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 Stock 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.

- (i) 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. In the event of a Participant's death, any unexercised, options issued to such Participant shall be exercisable within a period of one year next succeeding the year in which the Participant

died, unless such exercise period is extended by the Committee and approval is obtained from the stock exchange on which the Shares then trade, as applicable.

- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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 Board on June 30, 2020.

Section 13. Term of the Plan

No Award shall be granted under the Plan, and the Plan shall terminate, on the earlier of (i) the tenth anniversary of the date the Plan is approved by the shareholders of the Company, and (ii) the 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.

SCHEDULE "C" AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every Canadian Securities Exchange (the “**Exchange**”) listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as an Exchange listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the “**Board**”) in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument or any other such requirement of the Exchange, as applicable from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the Board to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) ensure the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the Audit Committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the

Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual 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.

PART 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors and Other Parties

The Corporation will require its external auditor to report directly to the Committee and its Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board of directors:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;

- (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
 4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
 6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
 7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
 8. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.
11. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

2.4 *De Minimis Non-Audit Services*

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 *Delegation of Pre-Approval Function*

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 *Composition*

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. A majority of the Members shall not be employees, Control Persons or executive officers of the Corporation or any affiliate of the Corporation.
4. If practicable, given the composition of the Board, every Member shall be financially literate.
5. If practicable, given the composition of the Board, every Member shall be independent.
6. The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent legal counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.
4. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

6.2 Currency of this Charter

This Charter was last approved by the Board on May 30, 2019.

SCHEDULE "D"
ARTICLES OF AMENDMENT

See attached.

By deleting the rights, privileges, restrictions and conditions set out in Paragraph 10 of the Articles of the Corporation in its entirety and replacing it with the following:

A. SPECIAL SHARES

The Special Shares (as defined below) shall have the following rights, privileges, restrictions and conditions attached thereto:

1. DEFINITIONS

1.1 For purposes of these Special Share provisions:

- (a) "Agris" means Walnut Oaks, LLC d/b/a Agris Farms.
- (b) "Agris Purchase" means the proposed purchase by the Corporation of all outstanding membership interest in Agris, which possess a cultivation facility in Yolo County, California.
- (c) "Applicable Outside Date" has the meaning set out in Section 7.1 of paragraph A.
- (d) "Board of Directors" means the board of directors of the Corporation.
- (e) "Conversion Ratio" means the number of Subordinate Voting Shares issuable for each one Special Share converted, which shall be the Initial Conversion Ratio, as adjusted in accordance with Section 6 hereof.
- (f) "Corporation" means Harborside Inc.
- (g) "CSE" means the Canadian Securities Exchange.
- (h) "FLRish RTO Transaction" means the reverse take-over transaction between the Corporation and FLRish, Inc., completed on May 30, 2019 in accordance with the Merger Agreement.
- (i) "Holders" means, at any time, the registered holders of all outstanding Special Shares.
- (j) "Initial Conversion Ratio" has the meaning set out in Section 5.2 of paragraph A.
- (k) "Issuance Date" means in respect of Special Shares, the date on which the Special Share is issued.
- (l) "LUX" means Lucrum Enterprises, Inc. (d/b/a LUX), a California corporation.
- (m) "LUX Purchase" means the proposed purchase by the Corporation of all outstanding shares of LUX.

5. *Continued*

(n) “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).

(o) “Merger Agreement” means the merger agreement dated as of February 8, 2019 between the Corporation, Lineage Merger Sub Inc. and FLRish, Inc.

(p) “Redemption Price” has the meaning set out in Section 7.2 of paragraph A.

(q) “Reverse Stock Split” means the consolidation of outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares.

(r) “Series B Special Shares” means the Special Shares designated as Series B Special Shares.

(s) “Series C Special Shares” means the Special Shares designated as Series C Special Shares.

(t) “Special Shares” means the Special Shares, in the capital of the Corporation, issuable in series and includes the Series B Special Shares and Series C Special Shares.

(u) “Subordinate Voting Shares” means Subordinate Voting Shares in the capital of the Corporation or such other shares into which Subordinate Voting Shares may be reclassified, converted, exchanged, or otherwise changed.

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.

5. *Continued*

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.

3. **DIVIDENDS**

3.1 **No Entitlement to Dividends**

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

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.

5. **CONVERSION**

5.1 **Automatic Conversion**

(a) The Series B Special Shares will be automatically converted into Subordinate Voting 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.

(b) The Series C Special Shares will be automatically converted into Subordinate Voting 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.

(c) 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

5. *Continued*

(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.

(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.

5.2 Conversion Ratio

The number of Subordinate Voting Shares into which each Special Share is convertible shall initially be 41.818182 Special Shares for one (1) Subordinate Voting Share (the "Initial Conversion Ratio"), as adjusted from time to time in accordance with Section 6 hereof.

5.3 Time of Conversion

Conversion of any Special Shares into Subordinate Voting Shares pursuant to Section 5 shall be deemed to be effected:

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

(b) in the case of a conversion of Series C Special Shares, immediately after the closing of the Agris Purchase or upon termination of the Agris Purchase in accordance with Section 5.1(d) hereof.

5.4 Effect of Conversion

At the time of the conversion of any Special Shares into Subordinate Voting Shares as provided in Section 5.1 hereof:

(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 Subordinate Voting Shares is issuable upon such conversion is deemed to have become the holder of record of such Subordinate Voting Shares.

5. *Continued*

5.5 Mechanics of Conversion at the Option of the Corporation

(a) Upon the conversion of any Special Shares into Subordinate Voting 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 Subordinate Voting Shares into which such Special Shares are converted.

5.6 Fractional Shares

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

6. ADJUSTMENT TO CONVERSION RATIO

6.1 Initial Conversion Ratio

The Conversion Ratio in respect of the Special Shares shall be the Initial Conversion Ratio until adjusted in accordance with the provisions of this Section 6 hereof.

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 Subordinate Voting 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 Subordinate Voting 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 Subordinate Voting 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 Subordinate Voting Shares equal to the number of Subordinate Voting Shares into which such Special Shares were convertible immediately prior to the change is entitled to receive upon such change.

5. *Continued*

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 Section 6, a Holder becomes entitled to receive any shares or other securities of the Corporation other than Subordinate Voting 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 Section 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.

7. **REDEMPTION**

7.1 **Automatic Redemption**

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

(a) 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;

(b) with respect to Series C 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 Section 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.

5. *Continued*

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.

B. SUBORDINATE VOTING SHARES

The Subordinate Voting Shares shall have the following rights, privileges, restrictions and conditions attached thereto:

1. **VOTING RIGHTS**

1.1 **Voting Rights**

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation 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.

1.2 **Alteration to Rights of Subordinate Voting Shares.**

As long as any Subordinate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Subordinate Voting Shares by separate special

5. *Continued*

resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

2. **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 Corporation. No dividend will be declared or paid on the Subordinate Voting Shares unless the Corporation 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 Corporation.

3. **LIQUIDATION, DISSOLUTION OR WINDING-UP**

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 holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares, be entitled to participate ratably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

4. **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 Corporation now or in the future.

5. **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 6 immediately below, the Subordinate Voting Shares cannot be converted into any other class of shares.

6. 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 Corporation 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 5.1(i) of paragraph C, 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 Corporation 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

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then Conversion Ratio and the Corporation 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 Corporation shall cause the transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

C. MULTIPLE VOTING SHARES

1. VOTING RIGHTS

1.1 Voting Rights

Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation 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.

1.2 Alteration to Rights of Multiple Voting Shares

As long as any Multiple Voting Shares remain outstanding, the Corporation 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 Voting Shares. In connection with the exercise of the voting rights contained in this Section 1.2, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

2. DIVIDENDS

Holders 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 Corporation 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 Corporation.

3. LIQUIDATION, DISSOLUTION OR WINDING-UP

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

5. *Continued*

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 Corporation 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.

4. 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 Corporation now or in the future.

5. CONVERSION

5.1 Subject to the Conversion Restrictions set forth in this Section 5, 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 Corporation 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 6 and 7 hereof.
- (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 Corporation to determine if any Conversion Limitation set forth in Section 5.1(iii) or 5.1(vi) hereof shall apply to the conversion of Multiple Voting Shares.
- (iii) **Foreign Private Issuer Protection Limitation:** The Corporation 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 Corporation 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 5.1 (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

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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 Corporation’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.

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

For purposes of this Section 5.1 (iv), the Board of Directors (or a committee thereof) shall designate an officer of the Corporation 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 Corporation 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

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Protective Restriction contained in this Section 5.1 (iv) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Corporation.

(v) **Mandatory Conversion.** Notwithstanding Section 5.1 (iii), the Corporation 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 Corporation 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 Corporation will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a notice of Mandatory Conversion 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 Corporation 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 Corporation 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 5.1(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

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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 Corporation 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 Corporation, 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 5.1 (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 Corporation in the Conversion Notice.

To the extent that the limitation contained in this Section 5.1(vi) applies and the Corporation can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Corporation 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 Corporation, 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 Corporation, and the Corporation shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon notice to the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 5.1(vi),

5. *Continued*

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 5.1(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 Corporation. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 5.1(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 Corporation shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section 11 hereof.

- (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 Corporation 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 Corporation, and shall give written notice to the Corporation 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 Corporation 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 Corporation 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

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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 Corporation, 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 Section 5.1(viii) will automatically be cancelled.

6. **ADJUSTMENTS FOR DISTRIBUTIONS**

In the event the Corporation shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Corporation 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 6, 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.

7. **RECAPITALIZATIONS; STOCK SPLITS**

If at any time or from time-to-time, the Corporation shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue 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 Corporation 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 7 with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Section 7 (including adjustment of the Conversion Ratio then in effect and the number of Multiple Voting Shares

5. *Continued*

issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

8. **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.

9. **ADJUSTMENT NOTICE**

Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 9, the Corporation, 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 Corporation 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.

10. **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.

11. **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 Corporation to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Corporation 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 Corporation 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 Corporation and the holder shall, within one (1) business day thereafter, submit the disputed arithmetic calculation

5. *Continued*

of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, to the Corporation's independent, outside accountant. The Corporation, at the Corporation's expense, shall cause the accountant to perform the determinations or calculations and notify the Corporation 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.

12. CONVERSION OF MULTIPLE VOTING SHARES UPON AN OFFER

In addition to the conversion rights set out in Section 5, 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 Corporation 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 12 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 Corporation 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:

- (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

5. *Continued*

- (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 Corporation 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 Corporation shall or shall cause its transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

13. NOTICES OF RECORD DATE

Except as otherwise provided under applicable law, in the event of any taking by the Corporation 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 Corporation 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.

14. REDEMPTION OF SHARES

14.1 For the purposes of this Section 14, the following terms will have the meaning specified below:

- (i) “**Board**” means the board of directors of the Corporation.
- (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.
- (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.

5. Continued

- (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 Corporation’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, Corporation, limited liability company, trust or any other entity.
- (viii) **“Redemption”** has the meaning ascribed thereto in Section 14.
- (ix) **“Redemption Date”** means the date on which the Corporation will redeem and pay for the Shares pursuant to this Section 14. 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 Corporation will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.
- (x) **“Redemption Notice”** has the meaning ascribed thereto in this Section 14.
- (xi) **“Redemption Price”** means the price per Share to be paid by the Corporation on the Redemption Date for the redemption of Shares pursuant to this Section 14 and will be equal to the Fair Market Value of a Share, unless otherwise required by any Governmental Authority;
- (xii) **“Shares”** means the Subordinate Voting Shares or the Multiple Voting Shares of the Corporation.
- (xiii) **“Significant Interest”** means ownership of five percent (5%) or more of all of the issued and outstanding shares of the Corporation.

5. *Continued*

- (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 Corporation 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 Corporation or its affiliates) or a disinterested nationally recognized accounting firm.

14.2 Subject to Section 14.5, 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 Corporation by mail sent to the Corporation’s registered office to the attention of the Corporate Secretary.

14.3 If the Board reasonably believes that a Subject Shareholder may have failed to comply with the provisions of Section 14.2, the Corporation 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.

14.5 The provisions of Sections 14.2 and 14.3 will not apply to the ownership, acquisition or disposition of Shares as a result of:

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

5. *Continued*

(b) 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 14.5(c); or

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

14.6 At the option of the Corporation, Shares owned by an Unsuitable Person may be redeemed by the Corporation (the "**Redemption**") for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Section 14.6 will be redeemable at any time and from time to time pursuant to the terms hereof.

14.7 In the case of a Redemption, the Corporation 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 Corporation 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 Corporation will send a written notice confirming the amount of the Redemption Price as soon as possible following the determination of such Redemption Price.

14.8 The Corporation 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.

14.9 To the extent required by applicable laws, the Corporation 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.

14.10 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 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

5. *Continued*

Redemption in accordance with the terms of this Section, the redeemed Shares will be cancelled.

14.11 All notices given by the Corporation 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 Corporation's share register.

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

14.13 In connection with the conduct of its Business, the Corporation 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.

14.14 In the event that any provision (or portion of a provision) of this Section 14.14 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

2020,

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

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

HARBORSIDE INC.

(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 :

(Signature)
(Signature)

Director

(Description of Office)
(Fonction)

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) :

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

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: 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

<input type="text"/>	or	<input type="text"/>	<input type="text"/>
	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*

1 by decreasing the authorized capital of the Corporation by cancelling all of the Special Shares, issuable in series, including the following series of Special Shares:

- (i) 45,000,000 Series A Special shares;
- (ii) 12,000,000 Series B Special shares; and
- (iii) 15,000,000 Series C Special shares.

2 after giving effect to the foregoing, by deleting paragraph 9 of the Articles in its entirety and replacing it with the following:

- (i) “an unlimited number of shares of a class to be designated as Subordinate Voting Shares; and
- (ii) an unlimited number of shares of a class to be designated as Multiple Voting Shares.”

3 by deleting the rights, privileges, restrictions and conditions set out in Paragraph 10 of the Articles of the Corporation in its entirety and replacing it with the following:

A. SUBORDINATE VOTING SHARES

The Subordinate Voting Shares shall have the following rights, privileges, restrictions and conditions attached thereto:

1. VOTING RIGHTS

1.1 Voting Rights

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation 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.

1.2 Alteration to Rights of Subordinate Voting Shares.

As long as any Subordinate Voting Shares remain outstanding, the Corporation 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.

2. 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 Corporation. No dividend will be declared or paid on the Subordinate Voting Shares unless the Corporation simultaneously declares or pays,

5. *Continued*

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 Corporation.

3. LIQUIDATION, DISSOLUTION OR WINDING-UP

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 holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Corporation 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.

4. 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 Corporation now or in the future.

5. 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 6 immediately below, the Subordinate Voting Shares cannot be converted into any other class of shares.

6. 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 Corporation 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,

5. *Continued*

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 5.1(i) of paragraph C, 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 Corporation 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 Corporation 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 Corporation shall cause the transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

B. MULTIPLE VOTING SHARES**1. VOTING RIGHTS****1.1 Voting Rights**

Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation 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.

5. *Continued*

1.2 **Alteration to Rights of Multiple Voting Shares**

As long as any Multiple Voting Shares remain outstanding, the Corporation 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 Voting Shares. In connection with the exercise of the voting rights contained in this Section 1.2, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

2. **DIVIDENDS**

Holders 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 Corporation 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 Corporation.

3. **LIQUIDATION, DISSOLUTION OR WINDING-UP**

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 holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation 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.

4. **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 Corporation now or in the future.

5. **CONVERSION**

5.1 Subject to the Conversion Restrictions set forth in this Section 5, 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 Corporation or any transfer agent for such shares, into fully paid and non-assessable Subordinate Voting Shares as

5. *Continued*

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 6 and 7 hereof.

- (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 Corporation to determine if any Conversion Limitation set forth in Section 5.1(iii) or 5.1(vi) hereof shall apply to the conversion of Multiple Voting Shares.
- (iii) **Foreign Private Issuer Protection Limitation:** The Corporation 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 Corporation 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 5.1 (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 Corporation’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:

5. *Continued*

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.

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

For purposes of this Section 5.1 (iv), the Board of Directors (or a committee thereof) shall designate an officer of the Corporation 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 Corporation 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 5.1 (iv) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Corporation.

(v) **Mandatory Conversion.** Notwithstanding Section 5.1 (iii), the Corporation 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**”);

5. *Continued*

- (2) the Corporation 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 Corporation will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a notice of Mandatory Conversion 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 Corporation 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 Corporation 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 5.1(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 Corporation subject to a limitation on conversion or

5. *Continued*

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 Corporation, 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 5.1 (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 Corporation in the Conversion Notice.

To the extent that the limitation contained in this Section 5.1(vi) applies and the Corporation can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Corporation 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 Corporation, 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 Corporation, and the Corporation shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon notice to the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 5.1(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 5.1(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 Corporation. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 5.1(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

5. *Continued*

Multiple Voting Shares, the Corporation shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Section 11 hereof.

- (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 Corporation 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 Corporation, and shall give written notice to the Corporation 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 Corporation 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 Corporation 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 Corporation, 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 Section 5.1(viii) will automatically be cancelled.

5. *Continued*

6. **ADJUSTMENTS FOR DISTRIBUTIONS**

In the event the Corporation shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Corporation 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 6, 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.

7. **RECAPITALIZATIONS; STOCK SPLITS**

If at any time or from time-to-time, the Corporation shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue 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 Corporation 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 7 with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Section 7 (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.

8. **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.

9. **ADJUSTMENT NOTICE**

Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 9, the Corporation, 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 Corporation 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

5. *Continued*

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.

10. **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.

11. **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 Corporation to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Corporation 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 Corporation 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 Corporation 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 Corporation’s independent, outside accountant. The Corporation, at the Corporation’s expense, shall cause the accountant to perform the determinations or calculations and notify the Corporation 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.

12. **CONVERSION OF MULTIPLE VOTING SHARES UPON AN OFFER**

In addition to the conversion rights set out in Section 5, 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 Corporation are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or

5. *Continued*

- (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 12 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 Corporation 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:

- (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 Corporation 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 Corporation shall or shall cause its transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

13. **NOTICES OF RECORD DATE**

Except as otherwise provided under applicable law, in the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining

5. *Continued*

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 Corporation 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.

14. REDEMPTION OF SHARES

14.1 For the purposes of this Section 14, the following terms will have the meaning specified below:

- (i) **“Board”** means the board of directors of the Corporation.
- (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.
- (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 Corporation’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;

5. *Continued*

- (vii) **“Person”** means an individual, partnership, Corporation, limited liability company, trust or any other entity.
- (viii) **“Redemption”** has the meaning ascribed thereto in Section 14.
- (ix) **“Redemption Date”** means the date on which the Corporation will redeem and pay for the Shares pursuant to this Section 14. 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 Corporation will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.
- (x) **“Redemption Notice”** has the meaning ascribed thereto in this Section 14.
- (xi) **“Redemption Price”** means the price per Share to be paid by the Corporation on the Redemption Date for the redemption of Shares pursuant to this Section 14 and will be equal to the Fair Market Value of a Share, unless otherwise required by any Governmental Authority;
- (xii) **“Shares”** means the Subordinate Voting Shares or the Multiple Voting Shares of the Corporation.
- (xiii) **“Significant Interest”** means ownership of five percent (5%) or more of all of the issued and outstanding shares of the Corporation.
- (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 Corporation 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

5. Continued

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 Corporation or its affiliates) or a disinterested nationally recognized accounting firm.

14.2 Subject to Section 14.5, 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 Corporation by mail sent to the Corporation’s registered office to the attention of the Corporate Secretary.

14.3 If the Board reasonably believes that a Subject Shareholder may have failed to comply with the provisions of Section 14.2, the Corporation 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.

14.5 The provisions of Sections 14.2 and 14.3 will not apply to the ownership, acquisition or disposition of Shares as a result of:

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

(b) 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 14.5(c); or

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

14.6 At the option of the Corporation, Shares owned by an Unsuitable Person may be redeemed by the Corporation (the “**Redemption**”) for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Section 14.6 will be redeemable at any time and from time to time pursuant to the terms hereof.

14.7 In the case of a Redemption, the Corporation 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

5. *Continued*

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 Corporation 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 Corporation will send a written notice confirming the amount of the Redemption Price as soon as possible following the determination of such Redemption Price.

14.8 The Corporation 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.

14.9 To the extent required by applicable laws, the Corporation 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.

14.10 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 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.

14.11 All notices given by the Corporation 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 Corporation’s share register.

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

14.13 In connection with the conduct of its Business, the Corporation 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.

14.14 In the event that any provision (or portion of a provision) of this Section 14.14 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

2020,

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

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

HARBORSIDE INC.

(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 :

(Signature)
(Signature)

Director

(Description of Office)
(Fonction)