MANAGEMENT INFORMATION CIRCULAR

AND

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

NABIS HOLDINGS INC.

TO BE HELD ON SEPTEMBER 28, 2021

DATED: August 30, 2021

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of shareholders of Nabis Holdings Inc. (the "**Corporation**" or "**Nabis**") will be held on Tuesday, September 28, 2021 at 11:00 a.m. (Vancouver time) in a virtual only format, which will be conducted via live audio webcast at **https://web.lumiagm.com/249079949**, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for years ended December 31, 2020 and December 31, 2019 together with the report of the auditors thereon;

2. to fix the number of directors at four and to thereafter elect the directors of the Corporation for the ensuing year;

3. to re-appoint Dale Matheson Carr-Hilton LaBonte, LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

4. to consider and, if deemed advisable, to pass an ordinary resolution approving the adoption of the Corporation's omnibus long-term incentive plan;

5. to pass, without variation, a special resolution to amend the Corporation's articles of incorporation;

6. to consider and, if deemed advisable, to pass, with or without variation, a special resolution of the Corporation (the "**Asset Sale Resolution**") approving and authorizing the sale of all or substantially all of the Corporation's assets (the "**Asset Sale**") pursuant to section 301 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**");

7. to consider, and if deemed advisable, to pass, with or without amendment, a resolution of disinterested shareholders of the Corporation (the "**Arrangement Resolution**"), approving the proposed plan of arrangement (the "**Plan of Arrangement**" or "**Arrangement**") between the Corporation and the persons entered in the register for the $23,000,000 principal amount of 5.3% promissory notes due November 15, 2022 (the "**Notes**") as registered holders of Notes, to approve the repurchase of all of the Notes by the Corporation under Division 5 of Part 9 of the BCBCA, as more fully described in the accompanying management information circular; and

8. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The full text of the resolutions referred to in items 5, 6 and 7 above are attached to this notice of Meeting as Exhibit 'A'.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular, which is deemed to form part of this notice of meeting. Please read the management information circular carefully before you vote on the matters being transacted at the Meeting.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of British Columbia and the City of Vancouver, the Meeting is being held online and not in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated August 30, 2021 of the Corporation.

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Corporation and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting

online at **https://web.lumiagm.com/249079949**. Beneficial shareholders (being shareholders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting.

As a shareholder of the Corporation, it is very important that you read the management information circular of the Corporation dated "August 30, 2021" (the "**Circular**") and other Meeting materials carefully. They contain important information with respect to voting your Shares and attending and participating at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your 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, including if you are a nonregistered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST send an email to issuername@odysseytrust.com and provide Odyssey Trust Corporation Inc. ("**Odyssey**") with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

Your vote is important regardless of the number of Nabis shares you own. Registered Nabis shareholders who are unable to attend the Meeting, or any postponement or adjournment thereof, in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions. To be used at the Meeting, the completed proxy form must be deposited at the office of Odyssey using one of the following methods: (a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Odyssey, by fax within North America at 800.517.4553, or by mail or by hand delivery to 350-409 Granville St, Vancouver British Columbia, V6C 1T2 (b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or (c) log on to Odyssey's website at, www.odysseytrust.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number. Whatever method a Registered Shareholder chooses to submit their proxy they must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof. **Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion.**

Non-registered Nabis shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary.

DATED at Vancouver, British Columbia, this 30th day of August, 2021.

BY ORDER OF THE BOARD

"Bruce Langstaff"

Bruce Langstaff
Executive Chairman

EXHIBIT 'A'

RESOLUTIONS OF THE SHAREHOLDERS

OF

NABIS HOLDINGS INC.

ALTERATIONS TO THE CORPORATION'S ARTICLES

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the existing articles of incorporation of the Corporation (the "**Articles**") be deleted in their entirety and the form of Articles presented at the Meeting be adopted as the Articles of the Corporation;

2. the alterations made to the Corporation's Articles shall take effect upon the deposit of this resolution at the Corporation's records office; and

3. any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file or cause to be executed, delivered and filed, all such documents and instruments as are necessary or desirable to give effect to this resolution and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or doing of any such act or thing."

ASSET SALE RESOLUTION

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the sale (the "**Sale**") to Caravel CAD Fund Ltd. ("**Caravel**") of all of the shares Verano Holdings Corp. held by the Corporation (the "**Assets**"), which constitutes a sale of all or substantially all of the assets of the Corporation, as contemplated by section 301 of the *Business Corporations Act* (British Columbia), on terms to be finalized by management of the Corporation and approved by the board of directors of the Corporation (the "**Board**"), be and is hereby approved and authorized;

2. the entering into of the share purchase agreement with Caravel dated August 23, 2021 (the "**Share Purchase Agreement**") by the Corporation be and the same is hereby approved, ratified and confirmed, and the actions of Bruce Langstaff, the Chief Executive Officer of the Corporation, in executing and delivering the Share Purchase Agreement be and the same is hereby approved, ratified and confirmed in all respects;

3. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, without further notice to, or ratification or approval of, the shareholders of the Corporation, in its sole discretion, approve or amend any terms of any agreement pertaining to the Sale, or not to proceed with the Sale; and

4. any one or more directors and officers of the Corporation is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Corporation or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of this resolution."

APPROVAL OF ARRANGEMENT

"**BE IT RESOLVED THAT:**

1. the arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") involving Nabis Holdings Inc. (the "Corporation") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of Nabis Holdings Inc. (the "**Corporation**"), and holders (the "**Noteholders**") of 5.3% promissory notes of the Corporation due November 15, 2022, all as more particularly described and set forth in the plan of arrangement (as it may be modified, or amended, the "**Plan of Arrangement**") attached as Schedule "E" to the management information circular of the Corporation dated August 30, 2021 (the "**Circular**") accompanying the Notice of Annual and Special Meeting, is hereby approved and agreed to;

2. the Plan of Arrangement (as the same may be, or may have been, amended, modified or supplemented, is hereby authorized, approved;

3. notwithstanding that these resolutions have been passed (or that the Arrangement has been approved and agreed to by the shareholders or approved and agreed to by the Noteholders or approved by the Supreme Court of British Columbia), the management of the Corporation, without further notice to, or approval of, the securityholders of the Corporation, is hereby authorized and empowered to (A) amend, modify or supplement the Arrangement, to the extent permitted by the Plan of Arrangement or the Share Purchase Agreement (as defined in the Circular), and (B) subject to the terms of the Arrangement, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA;

4. any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation (whether under corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, and any and all other documents, agreements and instruments and to perform, or cause to be performed by, such other acts and things, as in such person's opinion may be necessary or desirable to give full effect to these resolutions and the matters authorized hereby, including the transactions required or contemplated by the Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the doing of any such act or thing; and

5. all actions heretofore taken by or on behalf of the Corporation in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects."

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Nabis Holdings Inc. (the "**Corporation**" or "**Nabis**") for use at the annual and special meeting (the "**Meeting**") of its shareholders to be held on Tuesday, September 28, 2021 at the time and place and for the purposes set forth in the accompanying notice of annual and special meeting (the "**Notice**"). Unless otherwise stated, this Circular contains information as August 30, 2021. References in this Circular to the Meeting include any adjournment or postponement thereof.

Unless otherwise indicated, in this Circular, all references to "$" are to Canadian dollars.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of British Columbia and the City of Vancouver, the Meeting is being held online and not in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated August 30, 2021 of the Corporation.

ATTENDING THE SHAREHOLDER MEETING ELECTRONICALLY

How do I vote?

Voting at the Meeting

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "How do I attend and participate at the Meeting?".

Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Corporation and its transfer agent do not have a record of the beneficial shareholders of the Corporation, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions provided by your intermediary. See "*Appointment of a Third Party as Proxy*" and "*How do I attend and participate at the Meeting?*".

Appointment of a Third Party as Proxy

The following applies to shareholders who wish to appoint a person (a "**third party proxyholder**") other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

• **Step 1: Submit your proxy or voting instruction form:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted

your form of proxy or voting instruction form. If you are a beneficial shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

• **Step 2: Register your proxyholder:** To register a proxyholder, shareholders MUST send an email to nabis@odysseytrust.com by 11:00 a.m. (Vancouver time) on Monday, September 27, 2021 and provide Odyssey with the required proxyholder contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "*How do I attend and participate at the Meeting?*".

Legal Proxy – US Beneficial Shareholders

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to nabis@odysseytrust.com and received 11:00 a.m. (Vancouver time) on Monday, September 27, 2021.

How do I attend and participate at the Meeting?

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at **https://web.lumiagm.com/249079949**. Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting:

• Registered shareholders: The control number located on the form of proxy or in the email notification you received is the Username. The Password to the Meeting is "Nabis2021Com" (case sensitive). If as a registered shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cutoff.

• Duly appointed proxyholders: Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is "Nabis2021Com" (case sensitive). Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or voting instruction form AND register the proxyholder. See "Appointment of a Third Party as Proxy".

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the common shares of the Corporation (each, a "**Common Share**") held of record by those intermediaries and we may reimbursethe intermediaries for their reasonable fees and disbursements in that regard.

To the knowledge of management there are no directors who have informed the Corporation in writing that they intend to oppose any action taken by management.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified,other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the Common Shares represented thereby IN FAVOUR of such matter.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting inperson. A registered shareholder may submit a proxy using one of the following methods:

(a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Odyssey Trust Corporation ("**Odyssey**"), by fax within North America at 800.517.4553, or by mail or by hand delivery to 350-409 Granville St, Vancouver, British Columbia, V6C 1T2

(b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number,the holder's account number and the proxy access number; or

(c) log on to Odyssey's website at www.odysseytrust.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form forthe holder's account number and the proxy access number.

Whatever method a Registered Shareholder chooses to submit their proxy they must ensure that the proxyis received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker or an intermediary, then in almost all cases such Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the broker or intermediary holding the Beneficial Shareholder's Common Shares. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokeragefirms and intermediaries), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depositary for many U.S. brokerage firms and custodianbanks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own returninstructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBO**s") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBO**s") who do not object to the issuers of the securities they own knowing who they are.

The securityholder materials prepared for this Meeting are being sent to both registered and non-registered ("**Beneficial Shareholders"**) owners of the securities of the Corporation. The securityholder materials are forwarded to registered holders of the Corporation by Odyssey and to Beneficial Shareholders by each beneficial holder's intermediary, which in most cases is Broadridge (defined below). Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of the proxy provided by the Corporation. The VIF will name the same persons as are named in the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance ofthe Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

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

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

Only a registered Nabis shareholder who has submitted a form of proxy may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Nabis shareholder and deposited at the office of the Corporation at 7-B Pleasant Blvd., Suite 978, Toronto, Ontario M4T 1K2, at any time up to and including the last business day preceding the day of the Meeting (or any adjournment or postponement thereof) at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting (or any adjournment or postponement thereof) prior to voting.

Non-Registered Shareholders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote, and if necessary, revoke the Proxy on their behalf.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Record Date

The board of directors of Nabis (the "**Board**") has fixed Tuesday, August 24, 2021 as the record date (the "**Record Date**"), being the date for the determination of the holders of the Corporation's common shares entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

Shares Outstanding and Principal Holders

As of the Record Date, there are a total of 5,100,000 Common Shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of, and to attend, all meetings of Nabis shareholders and to have one vote for each common share held.

To the knowledge of the directors and executive officers of the Corporation, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as of the Record Date are:

Shareholder Name	Number of Shares Held	Percentage of Issued Shares
Caravel CAD Fund Ltd.	967,067	18.96%

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation, or is a proposed nominee for election as a director (or an associate or affiliate of such director, executive officer or director nominee) at any time since the beginning of the Corporation's last financial year, 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 and other than as a holder or potential holder of stock options.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed nominee for election as a director of the Corporation (or an associate or affiliate of such informed person or director nominee) has had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiary.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the years ended December 31, 2020 and December 31, 2019 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the consolidated financial statements. The consolidated financial statements and additional information concerning the Corporation are available under the profile of the Corporation on SEDAR at www.sedar.com.

2. ELECTION OF DIRECTORS

The Board currently consists of four directors. The Board proposes that the number of directors remain at four. At the Meeting, shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at four. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the shareholders, or if no director is then elected, until a successor is elected.

The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual general meeting of the shareholders of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Corporation or the provisions of the BCBCA.

The following table states the names of the persons nominated by management for election as directors, any offices with the Corporation currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

The following sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation, and each such nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof:

Name, province or state and country of residence and position, if any, held in the Corporation	Principal Occupation	Served as Director of the Corporation since	Number of Shares beneficially owned, directly or indirectly, or controlled or directed at present[(1)]	Percentage of Voting Shares Owned or Controlled
Bruce Langstaff[(3)] Toronto, ON Executive Chairman	Managing Director of Langstaff & Company Ltd. Previously in senior roles at TD Securities, Newcrest Capital, Bunting Warburg, and Canaccord Genuity.	January 28, 2021	400,000	7.84%
Jared Carroll [(2) (3)] Toronto, ON Director	Senior commodity trader at Atlantic Forest Products.	January 28, 2021	350,000	6.86%
Scott Kelly [(2) (3)] Toronto, ON Director	President of Cabrana Capital Advisors. Previously a Senior Vice President of TMX Equicom Group Inc. Currently Executive Chairman and Director of Westbridge Energy, and an independent director of Canoe Mining Ventures and Inter-Rock Minerals.	January 28, 2021	400,000	7.84%
Jennifer Law [(2) (3)] Toronto, ON Director	Senior Portfolio Manager at Empire Life Investments Inc. Previously held portfolio management positions at CIBC Global Asset Management and Montrusco Bolton.	January 28, 2021	350,000	6.86%

Notes:

(1) Information was provided by the directors.

(2) Member of the Audit, Compensation and Corporate Governance Committee; Jared Carroll is the Chairman of the Audit, Compensation and Corporate Governance Committee.

(3) The principal occupations of the director nominees who were not previously elected by the shareholders of the Company, during the past five years are as follows:

- Bruce Langstaff: Mr. Langstaff is currently the managing director of Langstaff & Company Ltd.
- Jared Carroll Senior commodity trader at Atlantic Forest Products, a trading firm
- Scott Kelly President of Cabrana Capital Advisors Inc. Since June 2011.
- Jennifer Law Senior Portfolio Manager, Empire Life Investments Inc. since May 2017.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director:

(a) is, as of 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:

(i) was subject to a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an "**orde**r") that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or

(ii) 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 of director, chief executive officer or chief financial officer; or

(b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or an 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; or

(c) 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 the assets of the proposed director.

In addition, to the knowledge of management, no proposed director 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 been subject to any other 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.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the election of the four director nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

3. APPOINTMENT OF AUDITORS

At the Meeting, shareholders will be asked to re-appoint Dale Matheson Carr-Hilton LaBonte LLP, located at 1500-1140 W. Pender Street, Vancouver, British Columbia V6E 4G1 as auditors of the Corporation for the ensuing year at such remuneration to be fixed by the Board.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the appointment Dale Matheson Carr-Hilton LaBonte LLP as the Corporation's independent auditors to hold office for the ensuing year with remuneration to be fixed by the Board.

4. ADOPTION OF OMNIBUS LONG TERM INCENTIVE PLAN

At the Meeting, Shareholders will be asked to approve the adoption of the Corporation's Omnibus Long Term Incentive Plan (the "**LTIP**") and pass the special resolution set forth below (the "**LTIP Resolution**"). The complete text of the LTIP is set out in Schedule "B" to this Circular and a summary of its material terms is provided below. The LTIP was approved by the Board on August 23, 2021.

Any existing options that were granted prior to the effective date of the LTIP pursuant to the Corporation's existing stock option plan were cancelled in accordance with the Corporation's proposal (the "**Proposal**") under the Bankruptcy and Insolvency Act of Canada (the "**BIA**"), as filed with the Official Receiver on November 23, 2020.

The LTIP will allow for a variety of equity based awards that provide different types of incentives to be granted to certain of the Corporation's executive officers, employees and consultants (in the case of options (“Options”), performance share units (‘‘PSUs’’) and restricted share units (‘‘RSUs’’)). Options, PSUs and RSUs are collectively referred to herein as ‘‘Awards’’. Each Award will represent the right to receive Common Shares, or in the case of PSUs and RSUs, Common Shares or cash, in accordance with the terms of the LTIP. The following discussion is qualified in its entirety by the text of the LTIP.

Under the terms of the LTIP, the Board, or if authorized by the Board, the Compensation Committee, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The LTIP will provide that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Corporation's Common Shares, share split or consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the LTIP will be 10% of the aggregate number of Common Shares issued and outstanding from time to time, which represents 510,000 Common Shares as of the Record Date. For the purposes of calculating the maximum number of Common Shares reserved for issuance under the LTIP, any issuance from treasury by the Corporation that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Corporation shall not be included. All of the Common Shares covered by the exercised, cancelled or terminated Awards will automatically become available Common Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an ‘‘evergreen’’ plan.

The maximum number of Common Shares that may be: (i) issued to insiders of the Corporation within any one-year period; or (ii) issuable to insiders of the Corporation at any time, in each case, under the LTIP alone, or when combined with all of the Corporation’s other security-based compensation arrangements cannot exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time determined on a non-diluted basis.

An Option shall be exercisable during a period established by the Board which shall commence on the date of the grant and shall terminate no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Common Shares on the Canadian Securities Exchange ("CSE") on the last trading day before the date such Option is granted. The LTIP will provide that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate 10 business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted ‘‘cashless exercise’’ or a ‘‘net exercise’’ subject to the procedures set out in the LTIP, including the consent of the Board, where required.

The following table describes the impact of certain events upon the rights of holders of Options under the LTIP, including termination for cause, resignation, retirement, termination other than for cause, and death or long-term disability, subject to the terms of a participant’s employment agreement, grant agreement and

the change of control provisions described below:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested options.
Resignation	The earlier of the original expiry date and 90 days after resignation to exercise vested options or such longer period as the Board may determine in its sole discretion.
Retirement	All unvested options will vest in accordance with their vesting schedules, and all vested options held may be exercised until the earlier of the expiry date of such options or one (1) year following the termination date.
Termination or cessation	All unvested options may vest subject to pro ration over the applicable vesting or performance period and shall expire on the earliest of ninety (90) days after the effective date of the termination date, or the expiry date of such option.
Death or long-term disability	Forfeiture of all unvested options and the earlier of the original expiry date and 12 months after date of death or long-term disability to exercise vested options or such longer period as the Board may determine in its sole discretion.
Change of Control	If a participant is terminated without "cause" or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such options.

The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant's grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, will be set out in the participant's grant agreement.

In connection with a change of control of the Corporation, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving successor or acquiring entity does not assume the outstanding Awards, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all participants advising that the LTIP shall be terminated effective immediately prior to the change of control and all Awards, as applicable, shall be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the LTIP, shall expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the LTIP. In the event of a change of control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control

is not completed within the time specified therein (as the same may be extended), the Awards which vest shall be returned by the Corporation to the participant and, if exercised or settled, as applicable, the common shares issued on such exercise or settlement shall be reinstated as authorized but unissued common shares and the original terms applicable to such Awards shall be reinstated.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any securities granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and CSE approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any securities granted under the LTIP at any time without the consent of a participant provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the CSE; and (iii) be subject to shareholder approval, where required by law, the requirements of the CSE or the LTIP, provided however that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a general “housekeeping” or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan;

- changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the CSE shall be required at all times when the Corporation is listed on the CSE);

- a change to the assignability provisions under this Plan;

- any amendment regarding the effect of termination of a Participant’s employment or engagement;

- any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;

- any amendment regarding the administration of this Plan; and

- any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation (provided, however, that any Stock Exchange shall have the overriding right in such circumstances to require shareholder of any such amendments);

provided that the alteration, amendment or variance does not:

- increase the maximum number of Common Shares issuable under the LTIP, other than an adjustment pursuant to a change in capitalization;
- reduce the exercise price of Awards;
- permit the introduction or re-introduction of non-employee directors as eligible participants on a discretionary basis or any amendment that increases the limits previously imposed on non-employee director participation;
- remove or exceed the insider participation limits; or
- amend the amendment provisions of the LTIP.

The above summary is qualified in its entirety by the full text of the LTIP, which is set out in Schedule "B" to this Circular. The Board encourages Shareholders to read the full text of the LTIP before voting on this resolution.

The Board and management of the Corporation recommend the approval of the adoption of the LTIP. To be effective, the LTIP Resolution must be approved by not less than a majority of the votes cast by the disinterested holders of Common Shares present in person or represented by proxy at the Meeting.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE LTIP RESOLUTION, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER, OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE RESOLUTION.

The text of the resolution to be passed is set out below:

"**BE IT RESOLVED THAT**:

1. the adoption of the omnibus long term incentive plan (the "**LTIP**") as described in the Circular dated August 30, 2021, is hereby approved, ratified and confirmed;
2. the maximum number of Common Shares which may be issued under the LTIP and all other security based compensation arrangements of the Corporation shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time on a non-diluted basis;
3. all unallocated options, rights and entitlements under the LTIP, be and are hereby authorized and approved; and
4. any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer of the Corporation may be necessary or desirable in order to fulfill the intent of the foregoing resolution."

5. ALTERATION TO ARTICLES OF INCORPORATION

At the Meeting, the shareholders will be asked to pass a special resolution authorizing the Corporation to adopt a new form of Articles, the full text of which is set out in Schedule "C" to the notice of Meeting (the "**New Articles**"). The New Articles will streamline the processes and procedures relating to the Corporation, but will not change any of the rights attached to the Common Shares.

The following is a summary only of the principal differences between the New Articles and the existing Articles of the Corporation (the "**Existing Articles**"). Nothing that follows should be construed as legal advice to any particular shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the adoption of the New Articles.

Central Securities Register

The New Articles permit the Corporation to maintain branch securities registers at any locations inside or outside of British Columbia designated by the directors.

Rights of Legal Personal Representative on Bankruptcy

The New Articles provide that, upon the bankruptcy of a shareholder, such shareholder's trustee in bankruptcy, although not a shareholder, has the same rights, privileges and obligations that attach to the shares held by the bankrupt shareholder, including the right to transfer the shares in accordance with the New Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* (British Columbia) has been deposited with the Corporation and if the documents and steps required by legislation have been deposited with the Corporation.

Registration on Transfer of Shares after Death or Bankruptcy

The New Articles provide that any person becoming entitled to shares of the Corporation in consequence of the death or bankruptcy of a shareholder will, upon such documents and evidence being produced to the Corporation as may be required by legislation, have the right either to be registered as a shareholder in his or her representative capacity in respect of such share or, if he or she is a personal representative or trustee in bankruptcy, instead of being registered himself or herself, to make such transfer of the share as the deceased or bankrupt person could have made. Notwithstanding the foregoing, the Board will, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

Purchase or Redemption of Share Fractions

The New Articles remove the ability of the Corporation to purchase, redeem, or otherwise acquire any and all outstanding share fractions.

Borrowing Powers

The New Articles provide that any bonds, debentures, notes or other debt obligations of the Corporation may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of the shareholders of the Corporation, appointment of directors or otherwise and may by their terms be assignable free from any equities between the Corporation and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

Capital Alterations

Under the New Articles, unless legislation requires otherwise, the Corporation may complete any alteration of is authorized share structure (such as the creation or elimination of any class or series of shares; subdivision or consolidation of its authorized shares; changing the par value of the shares of the Corporation; or altering the identifying name of any shares of the Corporation) upon approval by the directors.

Requirement for In-Province Shareholder Meetings

Under the New Articles, there is no longer a requirement for shareholder meetings to occur within the province of British Columbia.

Director Nominations

Under the New Articles, a notice requirement exists in regards to the nomination of new directors to the Board of the Corporation.

Approval Requirements for the New Articles

In accordance with the Existing Articles and the BCBCA, the resolution approving the adoption of the New Articles must be approved by a majority of not less than two-thirds (2/3) of the votes cast at the Meeting on this resolution.

A copy of the New Articles are attached hereto as Schedule “C”. Shareholders will be asked at the Meeting to consider, and if thought fit, to approve the following special resolution approving the adoption of the New Articles:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the existing articles of incorporation of the Corporation (the “**Articles**”) be deleted in their entirety and the form of Articles presented at the Meeting be adopted as the Articles of the Corporation;

2. the alterations made to the Corporation's Articles shall take effect upon the deposit of this resolution at the Corporation's records office; and

3. any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file or cause to be executed, delivered and filed, all such documents and instruments as are necessary or desirable to give effect to this resolution and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or doing of any such act or thing.".

Management recommends a vote "FOR" the approval of special resolution approving the New Articles. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.

6. SALE OF ALL OR SUBSTANTIALLY ALL THE ASSETS

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is set out in Exhibit "A" to the Notice of Meeting (the "**Asset Sale Resolution**") to approve a divestiture of substantially all of the assets of the Corporation that, if completed, for corporate law purposes will constitute the sale of all or substantially all of the assets of the Corporation (the "**Asset Sale**") as contemplated under the BCBCA. Such assets include all of the shares of Verano Holdings Corp. (the "**Assets**").

The Corporation entered into the share purchase agreement with Caravel CAD Fund Ltd. (the "**Purchaser**" or "**Caravel**") dated August 23, 2021 (the "**Share Purchase Agreement**") for the proposed sale of the Assets to be completed, subject to the Asset Sale Resolution and receipt of requisite approvals contemplated by the Arrangement (as defined below) as described under "*Background and Reasons for the Asset Sale*".

The Asset Sale Resolution is to approve the Asset Sale on terms to be finalized by management and approved by the Board. If completed, the Corporation shall become a shell corporation with minimal assets. The Corporation shall use the proceeds of the Asset Sale to give effect to the Arrangement (as defined below) as contemplated in the Share Purchase Agreement, If the Asset Sale Resolution is passed, the Corporation will not seek any further approvals from the shareholders for the completion of the Asset Sale.

The Board unanimously determined that the Asset Sale is in the best interest of the Corporation and recommends that shareholders vote in favour of the Asset Sale Resolution.

In order to be effective, the Asset Sale Resolution must be approved by (i) at least two-thirds of the votes cast on the Asset Sale Resolution by the Shareholders present in person or represented by proxy at the Meeting, and (ii) a simple majority of the votes cast by the minority Shareholders present in person or represented by Proxy and entitled to vote at the Meeting, in accordance with the "minority approval" requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") (excluding, for these purposes, Common Shares held by Caravel) (together, (i) and (ii) are the "**Shareholder Approval**").

Background and Reasons for the Asset Sale

The Corporation became financially distressed in 2020 after a series of failed investments and poor management decisions. Caravel, as the largest holder of the Corporation's then-outstanding convertible debt, sponsored a restructuring transaction that was carried out via a proposal to Creditors under the Bankruptcy and Insolvency Act (the "**Proposal**"). The Proposal operated to cancel all of the then-outstanding common shares and other equity claims, and to satisfy the convertible debt and all other unsecured claims by the issuance of the 5.3% Senior Unsecured Notes due 2023 (the "**Notes**") and 3.8 million Shares. The intent of the Proposal (among other things) was to convey substantially all of the value

of the Corporation' principal operating asset, the Emerald Dispensary in Phoenix, Arizona ("**Emerald**"), to the former creditors of the Corporation.

Caravel, as the largest pre-Proposal creditor of the Corporation, had substantial influence over the terms of the Proposal and negotiated a Senior Unsecured Notes Indenture dated January 26, 2021 between Caravel, the Corporation, Odyssey Trust Corporation and the Guarantors (as defined therein) as amended on April 1, 2021 (the "**Indenture**") a copy of which is available on the Corporation's SEDAR profile at www.sedar.com. Among other things, the Indenture stipulates cash flow sweep provisions with respect to asset sales on the part of the Corporation and also the requirement that any change to the cash flow sweep provisions be consented to by every affected Noteholder. These provisions made it impossible for the Corporation to make open market repurchases or undertake other transactions at prices less than 105% of par, which was the redemption price stipulated by the Indenture.

The Corporation sold Emerald to a subsidiary of Verano Holdings Corp. ("**Verano**") in a transaction that was executed on February 26, 2021 and closed on March 10, 2021. The proceeds of the transaction were $11.25 million in cash and 892,638 common shares in the capital of Verano (the "**Verano Shares**"). The Verano Shares were subject to a contractual lock-up agreement and were also held in escrow conditional on certain changes to the Indenture governing the Notes releasing the Corporation's operating subsidiary in Arizona from its guarantee obligation under the Indenture.

Substantially all of the cash proceeds from the sale of Emerald were used to repay indebtedness owed to Caravel by the Corporation's operating subsidiary in Arizona and to pay certain expenses that Caravel had incurred in connection with the Proposal. The remainder of the consideration from the sale of Emerald constituted the 892,638 Verano Shares.

The Board met regularly in March and April of 2021 to consider how to best use the Verano Shares to discharge its obligations under the Indenture. Among the options that were considered were the gradual sale of the Verano Shares with the use of proceeds being used to make open market purchases of the Notes or a "reverse Dutch auction" tender offer for the Notes. Apart from the provisions of the Indenture that proscribed either of those alternatives being pursued, either option exposed the Corporation to the risk that the ultimate proceeds from the sale of the Verano Shares would be insufficient to redeem all of the Notes, and that the Corporation would be left with nominal assets with which to repay the Notes that remained. The Board determined that a holistic transaction that would discharge the obligation of the Notes and contemporaneously monetize the Verano Shares would be the best course of action for the Corporation.

The Verano Shares constitute the majority of the Corporation's assets and exhibit considerable volatility. The Board believes that eliminating exposure to the market price of assets over which it exercises no control is in the best interest of the Corporation.

As a result of the foregoing, beginning in April 2021 certain directors of the Corporation had conversations with representatives of Caravel regarding the terms on which Caravel and the Corporation could pursue a holistic solution that would satisfy the holders of the Notes (the "**Noteholders**"), eliminate the Corporation's substantial indebtedness, and eliminate the Corporation's exposure to the price of the Verano Shares. Various transactions were discussed over the course of May 2021 but no agreement was reached. The support of Caravel was critical to the success of any potential transaction, since Caravel owns more than one-third of the Notes and enjoys an effective veto right over any amendment to the Indenture or arrangement proposal that would be required to effect such a transaction.

Contemporaneously, the Corporation received an indemnity notice from Verano (the "**Verano Indemnity**") arising from the Emerald sale, along with a Payment Reminder Notice from the IRS alleging that Emerald had tax owing in respect of its 2015 tax year of US$590,000 along with interest and penalties of approximately US$230,000.

The Corporation cannot determine how long it might take to resolve this matter with the IRS and while Verano has to date been prepared to forbear from demanding payment of the indemnity there is no guarantee that they will continue to do so. As a result, the Corporation has no choice except to reserve adequate funds for the payment of the indemnity amount. This reserve reduced the amount available for

distribution to Noteholders under any potential transaction and caused delay in the negotiation of an acceptable transaction with Caravel.

Discussions continued into June 2021, at which point Caravel proposed the terms of the transaction that is the subject of a proposed arrangement between the Corporation and the Noteholders to approve the repurchase of all of the Notes by the Corporation, the Noteholders (the "**Arrangement**"). The Corporation's directors considered the transaction in the light of other alternatives that it had previously considered, as well as the potential of simply liquidating its assets and, if the proceeds of such a liquidation were inadequate, then seeking protection from its creditors under *Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act*. The Board concluded that the costs of the latter alternative would almost certainly exceed the costs of the present arrangement by a significant amount and determined that it was unlikely that further insolvency proceedings would be a better alternative than the present transaction. As a result, the Board determined to pursue the Arrangement.

To implement the Arrangement, the Corporation will sell the Verano Shares to Caravel in consideration of CAD$17,495,705, subject to and in accordance with, the provisions of the Share Purchase Agreement. In accordance with the Arrangement and following the completion of the sale of the Verano Shares pursuant to the terms of the Share Purchase Agreement, the Corporation will acquire all of the outstanding Notes for an amount equal to $73.75 for each $100 principal amount of Notes outstanding, which shall, and shall be deemed to, be received in full and final settlement of all Notes.

Benefits to Shareholders

The Board considers the Asset Sale to have multiple benefits to the shareholders. Specifically, subject to the Arrangement being approved and becoming effective, it will provide the Corporation with funds to settle all outstanding Notes.

Stock Exchange Approval

The Common Shares are currently listed and traded on the Canadian Securities Exchange ("**CSE**") and are expected to continue to be listed on the CSE following completion of the Asset Sale. In order to maintain its listing on the CSE, the Corporation will be required to meet the continued listing standards of the CSE.

If the CSE determines that as a result of the Asset Sale, the Corporation no longer meets the continued listing standards of the CSE, the CSE may, at its discretion, suspend and delist the Common Shares.

Dissent Rights

The following is a summary of the provisions of the BCBCA relating to a shareholder's dissent rights in respect of the Asset Sale Resolution (the "**Dissent Rights**"). Such summary is not a comprehensive statement of the procedures to be followed by a shareholder who exercises the Dissent Rights and is qualified in its entirety by reference to the full text of Sections 237 to 247 of the BCBCA, which are attached to this Circular as Schedule "D".

The statutory provisions dealing with the Dissent Rights are technical and complex. Any shareholders wishing to exercise their Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA may prejudice their Dissent Rights.

Each registered shareholder who fails to exercise the registered shareholder's Dissent Right strictly in accordance with the dissent procedures described below and in the BCBCA will be deemed to have

(a) failed to exercise the Dissent Rights validly, and consequently to have waived the Dissent Rights, and

(b) ceased to be entitled to be paid the fair market value of the registered shareholder's Common Shares.

Only registered shareholders are entitled to Dissent Rights. Any non-registered or Beneficial shareholder

("**Non-Registered Holder**") who wishes to dissent should arrange to have his, her or its Common Shares registered in his, her or its name before the applicable deadline for exercising the Dissent Rights or should make arrangements with the registered holder of his, her or its Common Shares to exercise the Dissent Rights on his, her or its behalf.

Pursuant to Section 238 of the BCBCA, every registered shareholder who dissents from the Asset Sale Resolution (a "**Dissenting Shareholder**") in compliance with Sections 237 to 247 of the BCBCA will be entitled, if the Asset Sale Resolution becomes effective, to be paid by the Corporation the fair market value of the Common Shares held by such Dissenting Shareholder, such value to be determined at the close of business on the last business day before the day of the Meeting.

A Dissenting Shareholder must dissent with respect to all Common Shares registered in the name of the Dissenting Shareholder. A registered Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to the Corporation at its office at 7-B Pleasant Blvd., Suite 978, Toronto, Ontario, M4T 1K2, Attention: Corporate Secretary, and the Notice of Dissent must comply with the requirements of Section 242 of the BCBCA. The Notice of Dissent must be sent to the Corporation at least two days before the day of the Meeting or any adjournment of the Meeting. Since the date of the Meeting is September 28, 2021, a notice of dissent must be received by the Corporation no later than 9:00 a.m. (PST) on September 24, 2021 or at least two days immediately before any date to which the Meeting may be postponed or adjourned.

Any failure by a shareholder to fully comply may result in the loss of that shareholder's Dissent Rights. Non-Registered Holders who wish to exercise Dissent Rights must arrange for the registered shareholder holding their Common Shares to deliver the Notice of Dissent.

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Asset Sale Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his, her or its Common Shares if the Dissenting Shareholder votes in favour of the Asset Sale Resolution. A vote against the Asset Sale Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.

A Dissenting Shareholder must prepare a separate Notice of Dissent for him or herself, if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting; and must dissent with respect to all of the Common Shares registered in his, her or its name beneficially owned by the Non-Registered Holder on whose behalf he or she is dissenting.

The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and must include:

(a) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder owns no other Common Shares as beneficial owner, a statement to that effect;

(b) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Common Shares as beneficial owner , a statement to that effect and;

  (i) the names of the registered shareholders,

  (ii) the number of Common Shares held by each of those registered shareholders, and

  (iii) a statement that written notices of dissent are being, or have been, sent with respect to all those other Common Shares; or

(c) if the Dissent Rights are being exercised by a registered shareholder on behalf of a beneficial owner of such Common Shares who is not the Dissenting Shareholder, a statement to that effect and:

(i) the name and address of the beneficial owner, and

(ii) a statement that the registered owner is dissenting in relation to all of the Common Shares beneficially owned by the beneficial owner that are registered in the registered shareholder's name.

If the Asset Sale Resolution is approved by the shareholders and if the Corporation notifies the Dissenting Shareholders of its intention to act upon the Asset Sale Resolution, the Dissenting Shareholder is then required within one month after the Corporation gives such notice, to send to the Corporation the certificates representing the Notice Shares and a written statement that requires the Corporation to purchase all of the Notice Shares. If the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a Non-Registered Holder who is not the Dissenting Shareholder, a statement signed by the beneficial owner is required which sets out whether the beneficial owner is the beneficial owner of other Common Shares and if so, (i) the names of the registered owners of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in relation to all of those Common Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Common Shares and the Corporation is deemed to have purchased them. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares.

The Dissenting Shareholder and the Corporation may agree on the payout value of the Notice Shares; otherwise, either party may apply to the court to determine the fair value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the court. After a determination of the payout value of the Notice Shares, the Corporation must then promptly pay that amount to the Dissenting Shareholder.

A Dissenting Shareholder loses his, her or its Dissent Right if, before full payment is made for the Notice Shares, the Corporation abandons the corporate action that has given rise to the Dissent Right (namely the Asset Sale), a court permanently enjoins the action, or the Dissenting Shareholder withdraws the Notice of Dissent with the Corporation’s consent. When these events occur, the Corporation must return the share certificates to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Persons who are Non-Registered Holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

Any shareholder wishing to exercise the Dissent Rights should seek his, her or its own legal advice as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

Recommendation of the Board

The Board has unanimously approved the Asset Sale Resolution and believes that the Asset Sale is in the best interests of the Corporation and, based on the factors set out above under "Background and Reasons for the Asset Sale", that the Asset Sale is fair to shareholders. In reaching this determination, the Board has considered, among other things, the purchase price to be received by the Corporation in payment for the Assets and the current market capitalization of the Corporation. Accordingly, the Board unanimously recommends that shareholders allow for the completion of the Asset Sale by approving the sale of the Assets to Caravel, in accordance with the Share Purchase Agreement.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ASSET SALE RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Risk Factors

Shareholders should carefully consider the following risk factors relating to the Asset Sale. The following risk factors are not a definitive list of all risk factors associated with the Asset Sale. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Corporation, may also adversely affect the Common Shares. The risk factors enumerated below should be considered in conjunction with the other information included in this Circular.

The Asset Sale may not proceed.

There is no certainty, nor can the Corporation provide any assurance, that the sale of the Assets will be completed.

There can be no certainty that shareholder approval will be obtained.

If the Asset Sale Resolution is not approved by at least two thirds of the votes cast by Shareholders present at the Meeting virtually or by proxy, the Asset Sale will not be completed. There can be no certainty, nor can the Corporation provide any assurance, that the requisite shareholder approval of the Asset Sale Resolution will be obtained. In addition, there is no assurance that the Arrangement will be approved by the Shareholders or the Noteholders or that all of the conditions to the completion of the Arrangement will be met. There is no assurance that there will not be Dissenting Shareholders.

The Corporation may no longer meet the listing requirements of the CSE.

If the Corporation proceeds with the Asset Sale, the Corporation will have sold substantially all of its assets. There is a risk that the Corporation will not be able to meet the minimum listing requirements of the CSE and may be required to commence a delisting review. It would be up to the Corporation to delist its Common Shares or seek a listing on an alternative exchange if it does not meet the minimum listing requirements of the CSE. The Corporation may consider a voluntary delisting from the CSE and an application for a listing on an alternative exchange in an effort to ensure continued and seamless trading liquidity for the shareholders and provide flexibility to the Corporation.

Related Party Transaction

The Corporation is a reporting issuer in British Columbia, Alberta and Ontario, and is subject to applicable securities laws of such jurisdictions, including MI 61-101. MI 61-101 regulates certain types of transactions to ensure fair treatment of security holders when, in relation to a transaction, there are persons in a position that could cause them to have an actual or reasonably perceived conflict of interest or informational advantage over other security holders. The protections afforded by MI 61-101 apply to, among other transactions, “related party transactions” which include issuances of securities and repayment of debt to “related parties” of the Corporation (as each such term is defined in MI 61-101). In connection with the Asset Sale and the Share Purchase Agreement, Caravel will purchase the Verano Shares from the Corporation. As of the date hereof, Caravel beneficially owns and controls, directly or indirectly, 967,067 Common Shares of the Corporation, representing approximately 18.96% of the issued and outstanding Common Shares on a non-diluted and a partially diluted basis. As a result, Caravel is considered a “related person” of the Corporation and the Asset Sale contemplated by the Share Purchase Agreement constitutes a “related party transaction”, as such term is defined in MI 61-101 and the closing of the Share Purchase Agreement is subject to the Corporation’s satisfaction of the requirements set out in MI 61-101.

Price Range and Trading Volume of the Shares

The Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the trading symbol “NAB”. The following table sets for the price range, calculated using intraday high and low prices, and trading volume of the Common Shares as reported by the CSE, being the market on which the Common Shares are principally traded, for the twelve-month period preceding the date hereof:

Trading Period	High ($)	Low ($)	Volume
September 2020	0.025	0.01	4,723,201
October 2020	0.015	0.005	11,394,246
November 2020	0.01	0.005	17,765,569
December 2020	0.01	0.005	27,363,011
January 2021	1	0.005	20,056,926
February 2021	Nil	Nil	Nil
March 2021	1.01	0.23	148,148
April 2021	0.39	0.2	238,898
May 2021	0.45	0.275	947,084
June 2021	0.355	0.29	83,906
July 2021	0.42	0.295	35,043
August 1 to 27, 2021	0.33	0.305	97,802

Shareholders are urged to obtain current market quotations for the Common Shares.

Ownership of Securities of the Corporation

To the knowledge of the Corporation, after reasonable inquiry, the following table indicates, as at the date of this Circular, the number of securities of the Corporation beneficially owned or over which control or direction is exercised, by each director and officer of the Corporation and, after reasonable inquiry, by each insider of the Corporation and their respective associates and affiliates, and each associate or affiliate of the Corporation or person or company acting jointly or in concert with the Corporation in connection with the Share Purchase Agreement and the Asset Sale (each, a "**Disclosable Person**"), as well as the percentage of outstanding Common Shares so owned:

Name	Relationship with the Corporation	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Caravel	Insider	967,067	18.96
Bruce Langstaff	Officer and Director	400,000	7.84%
Jared Carroll	Director	350,000	6.86%
Scott Kelly	Director	400,000	7.84%
Jennifer Law	Director	350,000	6.86%
Nicole Rusaw	Officer	Nil	Nil

Commitments to acquire Securities of the Corporation

Except for securities issued, purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights or in connection with the Corporation's security-based compensation

arrangements and as otherwise detailed in this Circular, the Corporation has no agreements, commitments or understandings to acquire securities of the Corporation.

Except for securities that may be acquired pursuant to the exercise of the employee stock options or in connection with the Corporation's security-based compensation arrangements and as otherwise detailed in this Circular, to the knowledge of the Corporation, after reasonable enquiry, no Disclosable Person has any agreement, commitment or understanding to acquire securities of the Corporation.

Acceptance of the Asset Sale

The Corporation and Caravel executed the Share Purchase Agreement on August 23, 2021. The entering into of the Share Purchase Agreement was the result of negotiations between management of the Corporation and Caravel in connection with the Arrangement. The Board determined that the Share Purchase Agreement and proceeding with the Asset Sale, subject to the approval of the Arrangement, would be in the best interests of the Corporation. A written resolution of Board was executed by all the directors of the Corporation on August 30, 2021, approving the Share Purchase Agreement, and none of the directors expressed a materially contrary vote with respect to the resolution.

Benefits from the Asset Sale

To the knowledge of the Corporation, after reasonable enquiry, except as described or referred to in this Circular, no Disclosable Person will receive any direct or indirect benefit from the Share Purchase Agreement or the Asset Sale.

Material Changes in the Affairs of the Corporation

Except as described or referred to in this Circular: (a) the Corporation does not have any plans or proposals for material changes in the affairs of the Corporation, other than as have been publicly disclosed; (b) there have not been any material changes that have occurred, other than as have been publicly disclosed; and (c) the Corporation is not aware of any material fact concerning the Common Shares or any other matter not previously publicly disclosed and known to the Corporation that would reasonably be expected to affect the decision of Shareholders to accept or reject the approval or the Share Purchase Agreement or the Asset Sale.

Other Benefits

Other than the transaction under the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets*", including the approval and implementation of the Arrangement, at the date of this Circular, no material changes or subsequent transactions are contemplated.

Arrangements between the Corporation and Security Holders

Other than as set out in this Circular, there are no agreements, commitments or understandings, made or proposed to be made, between the Corporation and any security holder of the Corporation related to the Share Purchase Agreement and the Asset Sale.

Previous Purchases and Sales

No securities of the Corporation were purchased by the Corporation during the 12-month period preceding the date hereof. The table below sets out the securities sold by the Corporation during the 12-month period preceding the date hereof:

Date	**Number of Common Shares**	**Price**	**Details**
May 13, 2021	1,300,000	$0.18	Private Placement of Units

Financial Statements

The audited annual financial statements of the Corporation for the fiscal year ended December 31, 2020 and the unaudited interim condensed consolidated financial statements of the Corporation as at the three-month period ended March 31, 2021 may be found on the Corporation's SEDAR profile at www.sedar.com. Shareholders may obtain copies of the most recent financial statements free of charge upon request to Gursharan Toor, by email at gtoor@nabisholdings.com.

Valuation

The Corporation is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Corporation not being listed on any of the specified markets prescribed by MI 61-101.

Prior Valuations and Bona Fide Offers

To the knowledge of the directors and officers of the Corporation, after reasonable inquiry, no prior valuations have been made in respect of the Corporation relating to the subject matter of the Asset Sale, or anything otherwise contemplated by the Asset Sale that would require disclosure in accordance with MI 61-101.

Previous Distribution

The following table details the Common Shares distributed by the Corporation in the last five years:

Year	Number of Common Shares	Average Price Per Common Share ($)	Aggregate Value ($)
2016	5,000,000	0.05	250,000
2017	5,000,000	0.05	250,000
2018	11,183,899	0.26	2,882,442
2019	88,530,552	0.09	8,148,869
2020	5,600,024	0.04	200,000

Dividend Policy

Since its incorporation, the Corporation has not paid any dividends on its outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Corporation will be made by the Board on the basis of its earnings, financial requirements and other conditions.

Expenses of the Asset Sale

Each of the parties to the Share Purchase Agreement are responsible for the costs incurred by them in connection with the Asset Sale. The Corporation expects to incur expenses of approximately $25,000 in connection with the Asset Sale, which includes filing fees, legal, accounting, and printing and mailing fees and $1,196,723 upon giving effect to the Arrangement to Caravel (and / or its affiliates) for management services, legal expenses and other costs incurred since October 2020 and reimbursement of up to $15,000 for independent legal advice in respect of the Arrangement by or on account of Caravel.

Solicitations

For a description of any person who may be retained by or on behalf of the Corporation to makes solicitation of proxies in connection with the Meeting please refer to the heading "Solicitation of Proxies" above.

Minority Shareholder Approval Requirement

MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" of every class of "affected securities" the applicable issuer, as each such

term is defined in MI 61-101. The Common Shares are “affected securities” in connection with the performance by the Corporation of its obligation under the Share Purchase Agreement and the Asset Sale. As a result, as no exemption from the “minority approval” requirements under MI 61-101 is available to the Corporation, the approval of the Asset Sale pursuant to the Share Purchase Agreement will require that the Corporation receive Shareholder Approval, by: (i) at least two-thirds of the votes cast on the Asset Sale Resolution by the Shareholders present in person or represented by proxy at the Meeting, and (ii) a simple majority of the votes cast by the minority Shareholders present in person or represented by Proxy and entitled to vote at the Meeting, in accordance with the "minority approval" requirements of MI 61-101 (excluding, for these purposes, Common Shares beneficially owned or controlled, directly or indirectly, by Caravel), as required under Part 8 of MI 61-101.

Pursuant to MI 61-101, to the knowledge of the Corporation after reasonable inquiry, it is the Corporation’s understanding that the votes attaching to the of following Common Shares are required to be excluded when determining whether the Minority Shareholder Approval was obtained:

Name	**Number of Common Shares Beneficially Owned, Controlled or Directed**	**Percentage of Outstanding Common Shares**
Caravel CAD Fund Ltd.	967,067	18.96%

7. APPROVAL OF ARRANGEMENT

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution, the text of which is set out in Exhibit “A” to the Notice of Meeting (the "**Arrangement Resolution**") to approve the Arrangement as under Division 5 of Part 9 of the BCBCA between the Corporation and the persons entered in the register for the Notices as registered holders of Notes, to approve the repurchase of all of the Notices of the Corporation.

The material asset of the Corporation is 892,638 Verano Shares listed on the Canadian Securities Exchange (“**CSE**”) which exhibit considerable volatility.

The material debt of the Corporation consists of $23,000,000 principal amount of the Notes issued to the Noteholders pursuant to the Indenture (plus accrued and unpaid interest) which exceeds the value of the Asset of the Corporation.

Caravel owns and controls, directly or indirectly, 967,067 Common Shares, representing approximately 18.96% of the issued and outstanding Common Shares, on an undiluted and partially diluted basis, and Caravel also owns $10,602,689 of the Notes, representing 46.1% of the outstanding Notes thereby providing Caravel with an effective veto over any amendment to the Indenture or any arrangement proposal affecting the Indenture and outstanding Notes. Caravel is not represented on the Board and accordingly the Board is acting independently of Caravel.

Caravel has proposed the terms of a transaction that is the subject of the proposed Arrangement between the Corporation and the Noteholders to approve the acquisition of all of the Notes by the Corporation from the Noteholders for an amount equal to $73.75 cash for each $100 principal amount of Notes outstanding in full and final settlement of the Notes, and any and all accrued and unpaid interest owing to the Noteholders shall be forgiven, settled and extinguished for no consideration. Separate from the Arrangement, pursuant to the terms of the Share Purchase Agreement, the Corporation is seeking shareholder approval to sell the Verano Shares to Caravel for cash consideration of CAD$17,495,705 which is required to be closed by September 30, 2021 (unless extended by mutual consent of the parties). The Corporation will use the proceeds from the sale of the Verano Shares to acquire all of the outstanding Notes. For further information on the sale of the Verano Shares to Caravel, please refer to the heading “*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets*”.

Certain Noteholders (“**Supporting Noteholders**”), representing approximately 75 per cent of the principal value of the outstanding Notes, have each entered into a support agreement (“**Support Agreement**”),

where the form of the Support Agreement is the same for all Supporting Noteholders, with the Corporation, whereby the Supporting Noteholders have agreed to support, among other things, the acquisition and retirement of all of the Notes.

Pursuant to the final court order being sought in respect of the Arrangement, the Noteholders will waive, or be deemed to have waived, all defaults of the Corporation under the Indenture, and irrevocably consented to the variation of all necessary terms of the Indenture to allow for the acquisition of all of the Notes by the Corporation as provided in the Plan of Arrangement.

The Board unanimously determined that the Arrangement is in the best interest of the Corporation and recommends that Shareholders vote in favour of the Arrangement Resolution.

Plan of Arrangement

The Arrangement must be approved by the Noteholders in accordance with the requirements of the BCBCA. The Corporation has proposed the Plan of Arrangement with the support of multiple Noteholders and with the support of Caravel being the largest Noteholder holding 46.1% of the principal value of the Notes outstanding under the Indenture. The Arrangement is being sought by the Corporation pursuant to Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement subject to any amendments or variations thereto made in accordance with Section 6.5 of the Plan of Arrangement, and, to the extent applicable, the Support Agreement, or made at the direction of the court in the interim order or the final order issued by the Supreme Court of British Columbia (the "**Court**") in respect of the Arrangement, all as consented to by the Corporation and the Supporting Noteholders, acting reasonably. The Plan of Arrangement is attached hereto as Schedule "E". Shareholders are encouraged to carefully review the Plan of Arrangement in its entirety. The summary of the Plan of Arrangement set forth in this Circular is qualified in its entirety by reference to the full text of the Plan of Arrangement.

The Plan of Arrangement consists of the following:

(a) The Corporation will acquire all of the outstanding Notes at $73.75 for each $100.00 principal amount of Notes outstanding which shall, and shall be deemed to, be received in full and final settlement of all Notes, any claim ("**Noteholder Claim**") of a Noteholder for any liabilities, duties and obligations arising out of or in connection with the Notes, and any indebtedness ("**Noteholder Indebtedness**") arising out of or in connection with the Notes;

(b) Any and all accrued and unpaid interest owing to each Noteholder shall be forgiven, settled and extinguished for no consideration;

(c) The Noteholders shall be deemed to have been, settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Noteholder shall have no further right, title or interest in and to, or recourse against the Corporation or any related party ("**Related Party**") to the Corporation with respect to, the Notes, the Noteholder Claims or the Noteholder Indebtedness;

(d) The Notes and all related documents shall be cancelled and thereupon be null and void;

(e) The Trustee (as defined in the Indenture) shall be discharged and released under the Indenture;

(f) Any and all security interests, including guarantees, granted by the Corporation or any Related Party with respect to the Notes, Noteholder Claims or Noteholder Indebtedness shall be, and shall be deemed to be, released, discharged and extinguished;

(g) The Trustee, if requested by the Corporation, will be authorized to execute and deliver such documents reasonably requested by the Corporation to evidence the settlement,

termination, extinguishment, cancellation and satisfaction and discharge of the Notes, the Noteholder Claims and the Noteholder Indebtedness.

On or after the implementation of the above steps of the Plan of Arrangement:

(a) The Corporation will pay a total of $1,196,723 to Caravel, or one or more of its affiliates, as directed by Caravel, as consideration or compensation for management services rendered, legal expenses, and other administrative costs incurred since the engagement by the Corporation of Caravel or Caravel Capital Investments Inc. in October 2020 as provided pursuant to and in accordance with the provisions of the Caravel Stock Purchase Agreement (as defined in the Plan of Arrangement);

(b) The Corporation will pay up to $15,000 in respect of reimbursement for reasonable and documented fees for independent legal advice in respect of the Arrangement actually incurred by or for the account of Caravel;

(c) The Corporation shall pay in full the Trustee fees incurred by the Trustee or Trustees whether prior to or after the commencement of the BCBCA proceedings incurred through to the date of implementation of the Plan of Arrangement; and

(d) The Corporation shall pay in full in cash the outstanding reasonable and documented fees and expenses of the legal advisors to the Corporation.

Payment to the Noteholders shall be effected through the delivery of the purchase price to the Trustee for distribution to the Noteholders wherein, depending on registration of such Notes, the Trustee may forward funds through intermediaries through the facilities of DTC or CDS or in such other manner as may be agreed by the Corporation and the recipients of the payments.

The Board has carefully considered the Arrangement in the light of other alternatives that it had previously considered, as well as the potential outcome of having to simply liquidate its assets and, reasonably assuming the proceeds of such a liquidation would be inadequate, then seeking protection from its creditors under the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act, and given the need to have Caravel in agreement with any corporate action, the Board concluded that the costs of the alternatives would almost certainly exceed the costs of the present Arrangement by a significant amount, and that the Noteholders would almost certainly receive substantially less cash consideration for their Notes, and accordingly the Board determined that it was unlikely that there is a better alternative than the Arrangement for the Noteholders.

If the Arrangement is not approved by the Shareholders at the Meeting, or any adjournment thereof, and by the Noteholders as required pursuant to the BCBCA, and the interim court order the Corporation intends to seek, and by the Court, the Corporation will be required to consider other alternatives to restructure its indebtedness which may include additional financing and management of creditors. There is no assurance that the Corporation will have sufficient time or investor demand to arrange for the financing necessary in order to meet its near-term operating obligations and its obligation to pay the amounts that will be due under the Indenture. Further, if the Arrangement is not approved, the Corporation may experience serious liquidity restraints, impairing its ability to operate as efficiently as possible or at all.

In order to be effective, the Arrangement Resolution must be approved by a simple majority of the votes cast by the minority Shareholders present in person or represented by Proxy and entitled to vote at the Meeting, in accordance with the "minority approval" requirements of MI 61-101 – *Protection of Minority Security Holders in Special Transactions* (excluding, for these purposes, Common Shares held by Caravel).

Recommendation of the Board

The Board has unanimously approved the Arrangement and believes that the Arrangement is in the best interests of the Corporation. In reaching the determination, the Board has considered, among other things, the actors set out above under *"Background and Reasons for the Asset Sale*". Accordingly, the Board

unanimously recommends that Shareholders allow for the completion of the Arrangement by approving the Arrangement.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ARRANGEMENT RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Related Party Transaction

The Corporation is a reporting issuer in British Columbia, Alberta and Ontario, and is subject to applicable securities laws of such jurisdictions, including MI 61-101. MI 61-101 regulates certain types of transactions to ensure fair treatment of security holders when, in relation to a transaction, there are persons in a position that could cause them to have an actual or reasonably perceived conflict of interest or informational advantage over other security holders. The protections afforded by MI 61-101 apply to, among other transactions, "related party transactions" which include the amendments to the terms of a security of the Corporation held by "related parties" of the Corporation (as each such term is defined in MI 61-101). In connection with the Arrangement, all of the Notes, including those currently held by Caravel, will be acquired by the Corporation from the Noteholders for an amount equal to $73.75 cash for each $100 principal amount of Notes outstanding in full and final settlement of the Notes, and any and all accrued and unpaid interest owing to the Noteholders shall be forgiven, settled and extinguished for no consideration. As of the date hereof, Caravel beneficially owns and controls, directly or indirectly, 967,067 Common Shares of the Corporation, representing approximately 18.96% of the issued and outstanding Common Shares on a non-diluted and a partially diluted basis and Caravel also owns $10,602,689 of the Notes, representing 46.1% of the outstanding Notes. As a result, Caravel is considered a "related person" of the Corporation and the Arrangement constitutes a "related party transaction", as such term is defined in MI 61-101 and the completion of the Arrangement is subject to the Corporation's satisfaction of the requirements set out in MI 61-101.

Price Range and Trading Volume of the Shares

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Price Range and Trading Volume of the Common Shares*".

Ownership of Securities of the Corporation

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Price Range and Trading Volume of the Common Shares*".

Commitments to acquire Securities of the Corporation

Except for securities issued, purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights or in connection with the Corporation's security-based compensation arrangements and as otherwise detailed in this Circular, the Corporation has no agreements, commitments or understandings to acquire securities of the Corporation.

Except for securities that may be acquired pursuant to the exercise of the employee stock options or in connection with the Corporation's security-based compensation arrangements and as otherwise detailed in this Circular, to the knowledge of the Corporation, after reasonable enquiry, no Disclosable Person has any agreement, commitment or understanding to acquire securities of the Corporation.

Acceptance of the Arrangement

Beginning April 2021, certain directors of the Corporation had conversations with representatives of Carvael regarding the terms on which Caravel and the Corporation could pursue a holistic solution that would satisfy the Noteholders and eliminate the Corporation's substantial indebtedness Discussions continued into June 2021 at which point the terms of the Arrangement between the Corporation and the Noteholders to approve the repurchase of all of the Note were discussed and Support Agreements entered into as of July 2, 2021. The Company and Caravel executed the Share Purchase Agreement on August 23, 2021. The entering into of the Share Purchase Agreement was the result of negotiations between management of the Company

and Caravel. The Board determined that the Share Purchase Agreement and the Arrangement would be in the best interests of the Company. A written resolution of the Board was executed by all the directors of the Company on August 30, 2021, and none of the directors expressed a materially contrary vote with respect to the resolution. For further information of the negotiations and acceptance of the Arrangement, please refer to "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Background and Reasons for the Asset Sale*".

Benefits from the Arrangement

To the knowledge of the Corporation, after reasonable enquiry, except as described or referred to in this Circular, other than disclosed in the Management Information Circular, no Disclosable Person will receive any direct or indirect benefit from the Arrangement.

Material Changes in the Affairs of the Corporation

Except as described or referred to in this Circular: (a) the Corporation does not have any plans or proposals for material changes in the affairs of the Corporation, other than as have been publicly disclosed; (b) there have not been any material changes that have occurred, other than as have been publicly disclosed; and (c) the Corporation is not aware of any material fact concerning the Common Shares or any other matter not previously publicly disclosed and known to the Corporation that would reasonably be expected to affect the decision of Shareholders to accept or reject the approval or the Arrangement.

Other Benefits

To the knowledge of the Company, after reasonable enquiry, except as described or referred to in this Circular, no Disclosable Person will receive any direct or indirect benefit from the Arrangement.

Arrangements between the Corporation and Security Holders

Other than as set out in this Circular, there are no agreements, commitments or understandings, made or proposed to be made, between the Corporation and any security holder of the Corporation related to the Arrangement.

Previous Purchases and Sales

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Previous Purchases and Sales*".

Financial Statements

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Financial Statements*".

Valuation

The Corporation is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Corporation not being listed on any of the specified markets prescribed by MI 61-101.

Prior Valuations and Bona Fide Offers

To the knowledge of the directors and officers of the Corporation, after reasonable inquiry, no prior valuations have been made in respect of the Corporation relating to the subject matter of the Arrangement, or anything otherwise contemplated by the Arrangement that would require disclosure in accordance with MI 61-101.

Previous Distribution

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Previous Distribution*".

Dividend Policy

Please refer to the heading "*Particulars of Matters to be Acted Upon – Sale of All or Substantially All the Assets – Dividend Policy*".

Expenses of the Arrangement

The Corporation expects to incur expenses of approximately $125,000 to $150,000 in connection with the Arrangement, which includes filing fees, legal, accounting, and printing and mailing fees and $1,196,723 upon giving effect to the Arrangement to Caravel (and / or its affiliates) for management services, legal expenses and other costs incurred since October 2020 and reimbursement of up to $15,000 for independent legal advice in respect of the Arrangement by or on account of Caravel.

Solicitations

For a description of any person who may be retained by or on behalf of the Corporation to makes solicitation of proxies in connection with the Meeting please refer to the heading "Solicitation of Proxies" above.

Minority Shareholder Approval Requirement

MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" of every class of "affected securities" the applicable issuer, as each such term is defined in MI 61-101. The Common Shares are "affected securities" in connection with the performance by the Corporation of its obligation under the Arrangement. As a result, as no exemption from the "minority approval" requirements under MI 61-101 is available to the Corporation, the approval of the Arrangement will require that the Corporation receive Shareholder Approval, by a simple majority of the votes cast by the minority Shareholders present in person or represented by Proxy and entitled to vote at the Meeting, in accordance with the "minority approval" requirements of MI 61-101 (excluding, for these purposes, Common Shares beneficially owned or controlled, directly or indirectly, by Caravel), as required under Part 8 of MI 61-101.

Pursuant to MI 61-101, to the knowledge of the Corporation after reasonable inquiry, it is the Corporation's understanding that the votes attaching to the of following Common Shares are required to be excluded when determining whether the Minority Shareholder Approval was obtained:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Caravel CAD Fund Ltd.	967,067	18.96%

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. The Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the other most highly compensated executive officer of the Corporation whose total compensation was more than $150,000 for the financial year (as at December 31, 2020) (collectively, the "**Named Executive Officers**") and for the directors of the Corporation. As of the Record Date, Nicole Rusaw is the only Named Executive Officer of the Corporation. Management of the Corporation is conducted by the Board and Ms. Rusaw.

Summary Compensation Table

The compensation (excluding compensation securities) for the Named Executive Officers and directors for the Corporation's two most recently completed financial years is as set out below:

Table of Compensation Excluding Compensation Securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Bruce Langstaff (1) Executive Chairman	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Jared Carroll (1) Director	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Scott Kelly (1) Director	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Jennifer Law (1) Director	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Nicole Rusaw (2) Chief Financial Officer	2020 2019	226,286 50,000	- -	- -	9,662 2,415	- 32,103	235,947 84,518
Shay Shnet (3) Former Chief Executive Officer	2020 2019	190,323 220,000	11,162 -	- -	62 34	127,665 257,353	329,211 477,387
Mark Krytiuk (4) Former President and Director	2020 2019	190,323 220,000	11,162 -	- -	1,108 612	392,000 257,353	594,593 477,965
Emmanuel Paul (5) Former Director	2020 2019	- -	- -	50,000 10,000	- -	- 4,758	50,000 14,758
James Tworek (6) Former Director	2020 2019	- -	- -	10,000 -	- -	- -	10,000 -
Yoni Ashurov (7) Former Director	2020 2019	- -	- -	5,000 1,250	- -	- -	5,000 1,250
Safiya Lyn-Lassiter (8) Former Director	2020 2019	- -	- -	5,000 6,667	- -	1,250 14,061	6,250 20,728
Larry Koza (9) Former Director	 2019	- -	- -	- -	- -	- 14,061	- 14,061
Liran Kandinov (10) Former Director	 2019	- 108,195	- -	- -	- -	- 138,123	- 246,318
Kevin Ma (11) Former Director	 2019	- 141,631	- -	- -	- -	- -	- 141,631

Notes:

(1) Bruce Langstaff, Jared Carroll, Scott Kelly and Jennifer Law were each appointed to the Board of Directors on January 28, 2021.

(2) Nicole Rusaw was appointed as the CFO of the Corporation on October 1, 2019. Ms. Rusaw resigned as CFO on January 26, 2021 pursuant to the Proposal and effective January 27, 2021, Ms. Rusaw provides consulting services to the Corporation.

(3) Shay Shnet was appointed as the CEO and a director of the Corporation on November 27, 2018. Mr. Shnet resigned as CEO on October 6, 2020, and was removed as a director on January 26, 2021 pursuant to the Proposal.

(4) Mark Krytiuk was appointed as President and a director of the Corporation on November 27, 2018. Mr. Krytiuk resigned as a director on September 22, 2020 and as President on October 6, 2020.

(5) Emmanuel Paul was appointed as a director of the Corporation on August 16, 2019. Mr. Paul was removed as a director on January 26, 2021 pursuant to the Proposal.

(6) James Tworek was appointed as a director of the Corporation on August 17, 2020. Mr. Tworek was removed as a director on January 26, 2021 pursuant to the Proposal.

(7) Yoni Ashurov was appointed as a director of the Corporation on November 15, 2019. Mr. Ashurov resigned as a director on August 19, 2020.

(8) Safiya Lyn-Lassiter was appointed as a director of the Corporation on May 3, 2019. Ms. Lassiter resigned as a director on September 18, 2020.

(9) Larry Koza was appointed as a director of the Corporation on May 3, 2019. Mr. Koza resigned as a director on November 22, 2019.

(10) Liran Kandinov was appointed as a director of the Corporation on December 3, 2018. Mr. Kandinov resigned as a director on November 15, 2019.
(11) Kevin Ma was appointed as a director of the Corporation on January 26, 2018. Mr. Ma resigned as a director on September 6, 2019.

Stock Options and Other Compensation Securities

As of the Record Date, all previously issued stock options and other compensation securities were cancelled on January 26, 2021 upon implementation of the Proposal.

Pension Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Stock Option Plans and Other Incentive Plans

For a description of the material terms of the stock option plan, see the heading "*Adoption of Omnibus Long Term Incentive Plan"*, which is qualified in its entirety by the full text of the LTIP attached hereto as Schedule "B".

Material Terms of Named Executive Officer Agreements

The Corporation does not have any employment or executive agreements with any NEO's of the Corporation.

Oversight and Description of Director and Named Executive Officer Compensation

Executive Summary

The amounts paid to the Named Executive Officers are determined by the Audit, Compensation and Corporate Governance Committee. The Audit, Compensation and Corporate Governance Committee determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executives, while taking into account the financial and other resources of the Corporation.

Compensation of Directors

Compensation of directors is determined by a recommendation of the Committee (as defined below) and approval of the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

While the Board considers option grants to directors under the LTIP from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of options. Other than the LTIP, as discussed above, the Corporation does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of Named Executive Officers

Elements of Executive Compensation

Executive compensation is comprised of short-term compensation in the form of a base salary or consulting fees, cash bonuses and long-term ownership through the Corporation's stock option plan.

In determining the base salary of an executive officer, the Board and Committee will also consider the following factors:

(a) the particular responsibilities related to the position;
(b) the experience level of the executive officer;
(c) the amount of time and commitment which the executive officer devotes to the Corporation; and
(d) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Each of the Corporation's executive officers will be eligible for an annual bonus, payable in cash, based on the Board's assessment of the Corporation's performance for the year and that of the executive officer.

Performance bonuses for executive officers are based on the achievement of pre-determined, measurable corporate and/or individual performance objectives, including share appreciation. A maximum performance bonus is determined for each executive officer as a percentage of salary. The maximum performance bonus for 2019 was 75% of base salary for the CEO (or 100% of base salary for the CEO as at the date of this Circular) and VP Exploration and Development, and 50% for the Chief Financial Officer. The key performance indicators and maximum bonus percentage are determined by the Compensation Committee (after discussion with the CEO) annually for the ensuing financial year and recommended to the Board for approval, on an individual basis for each executive officer. The Corporation may pay bonuses to other executive officers engaged during the year based on a general assessment of corporate and individual performance.

Stock options are generally granted to executive officers to align their interests with those of the Corporation's shareholders. The number of stock options granted to each executive officer has been, and will be, determined solely by the Board upon the recommendation of the Committee, based on the executive officer's performance, his or her consulting fee or base salary, if any, previous option-based awards and the Corporation's share price at the time of grant.

AUDIT, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

The Corporation is governed by its Audit, Compensation and Corporate Governance Committee (the "**Committee**"). On November 15, 2019 the Corporation disbanded its three committees, the Audit Committee, the Compensation Committee and the Corporate Governance and Regulations Committee, and formed one Committee, the Audit, Compensation and Corporate Governance Committee. A copy of the Corporation's Audit Committee Charter is annexed to this Circular as Schedule 'A'.

The responsibilities, powers and operation of the Audit, Compensation and Corporate Governance Committee are set out in its written charter. As of the date of this Circular, the Audit, Compensation and Corporate Governance Committee is generally responsible for, among other things:

- establishing the Corporation's general compensation philosophy and overseeing the development and implementation of compensation programs;

- reviewing and approving corporate goals and objectives relevant to the compensation of the executive officers, evaluating the performance of the executive officers in light of those goals and objectives, and making recommendations to the Board regarding the executive officers' compensation level; and

- reviewing the adequacy and form of the compensation of directors and ensuring that the compensation realistically reflects the responsibilities and risks involved in being a director.

Composition of the Audit, Compensation, and Corporate Governance Committee

The current members of the Committee are Mr. Carroll, Mr. Kelly, and Ms. Law and all are "independent" within the meaning of NI 52-110. Mr. Carroll is the Chairman of the Committee. In accordance with section 6.1.1(3) NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the

members of the Committee will not be executive officers, employees or control persons of the Corporation. All of the members of the Committee are financially literate as defined by NI 52-110.

Relevant Education and Experience

Mr. Carroll is a senior commodity trader at Atlantic Forest Products, a trading firm. Mr. Carroll has over twenty years' experience in trading and risk management with respect to agricultural commodities. Previously, Mr. Carroll was instrumental in the establishment of Weston Forest's US commodity trading division. Mr. Carroll holds a Bachelor of Arts degree from Wilfrid Laurier University.

Mr. Kelly is the President of Cabrana Capital Advisors, a strategic advisory firm focused on emerging companies. Prior to Cabrana, Mr. Kelly was a Senior Vice President of TMX Equicom Group Inc., where he advised many public companies with respect to strategic communications. Mr. Kelly is currently Executive Chairman and Director of Westbridge Energy, and an independent director of Canoe Mining Ventures and Inter- Rock Minerals. Mr. Kelly holds a Bachelor of Arts degree from Queen's University and a further certification from the Venture Capital Executive Program at the Haas School of Business at University of California, Berkeley.

Ms. Law is a Senior Portfolio Manager at Empire Life Investments Inc., with responsibility for public equity investments across the capitalization spectrum. Ms. Law previously held portfolio management positions at CIBC Global Asset Management and Montrusco Bolton. Ms. Law holds a Bachelor of Commerce degree from the University of British Columbia and holds the CFA designation.

Reliance on Certain Exemptions

For the fourteen months ended December 31, 2020 and the comparative 12 months the Corporation has not relied on an exemption, in whole or in part, granted under Part 8 of NI 52-110.

Audit, Compensation, and Corporate Governance Committee Oversight

The Committee has not made a recommendation to the Board that was not adopted by the Board, to nominate or compensate any external auditor during the most recently completed financial year.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of the Corporation's auditors to provide non-audit services, as and when required.

External Auditor Services Audit Fees

The aggregate audit fees billed by the Corporation's external auditors from January 1, 2020 through to the financial year ended December 31, 2020 were $88,582 respectively.

Audit-Related Fees

There were no audit-related fees billed by the Corporation's external auditors from January 1, 2020 through to the financial year ended December 31, 2020.

Tax Fees

The aggregate tax fees billed by the Corporation's external auditors from January 1, 2020 through to the financial year ended December 31, 2020 were $3,000.

All Other Fees

There were no fees other than reported above that were billed by the Corporation's external auditors from January 1, 2020 through to the financial year ended December 31, 2020.

Exemptions

Since the Corporation is a "venture issuer' pursuant to NI 52-110, it is exempt from the requirements of Part

3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Disclosure Instrument**") requires that the Corporation annually disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**").

The following is a discussion of each of the Corporation's corporate governance practices for which disclosure is required by the Disclosure Instrument. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended by the Guidelines.

Director Independence

For the purposes of the Disclosure Instrument, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A "material relationship" is one which could, in the view of the Board, reasonably be expected to interfere with his or her ability to exercise independent judgment. Certain specified relationships will, in all circumstances, be considered, for the purposes of the Disclosure Instrument, to be material relationships.

As of the date of this Circular, the Board consists of four individuals, three of whom are independent. Accordingly, a majority of the Board is independent. The current independent directors are Mr. Carroll, Mr. Kelly, and Ms. Law.

Other Directorships

Currently, the following director serves as director of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Scott Kelly	Canoe Mining Ventures Corp. Westbridge Energy Corporation Inter-Rock Minerals Inc.

Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. To the extent new directors are appointed to the Board, they are encouraged to meet with management and inform themselves regarding management and the Corporation's affairs. The Corporation currently has no specific policy regarding continuing education for directors, however requests for education will be encouraged, and dealt with on an *ad hoc* basis.

Ethical Business Conduct

Each director is required to disclose fully to the Board any material interest such director may have in any transaction contemplated by the Corporation. In the event that a director discloses a material interest in a proposed transaction, the Corporation's independent directors will review the nature and terms of the proposed transaction in order to ascertain and confirm that it is being considered on commercially reasonable and arm's-length terms. The Board does not currently have any policies and plans to adopt formal policies in the future.

Nomination of Directors

The Committee is responsible for assisting the Board in respect of the nomination of directors and identifying new candidates for appointment to the Board.

The Committee establishes criteria for Board membership and composition and makes recommendations to the Board thereon. The Committee also makes recommendations for the assignment of Board members to Board committees and oversees a process for director succession. In that regard, the Committee is also responsible for assessing the competencies and skills of existing directors and those required for nominees to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making. The Committee may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

Board Committees

The Board delegates certain responsibilities to the Committee. The Board has adopted a written charter for the Committee. From time to time, the Board may also appoint *ad hoc* committees to assist in specific matters. The Board may delegate specific mandates to such *ad hoc* committees if and when they are established.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, the effectiveness of Board committees and whether individual directors are performing effectively. The Board is of the view that the Corporation's shareholders provide the most effective and objective assessment of the Board's performance.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Committee.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

All previously issued options, warrants and restricted stock units were cancelled on January 26, 2021 upon implementation of the Proposal.

As of the date hereof, there are nil options outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person is, or at any time during the most recently completed financial year has been, indebted to the Corporation. No indebtedness of a current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person to another entity is, or at any time during the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's SEDAR profile at www.sedar.com. Shareholders may contact the Corporation by mail at its office at 7-B Pleasant Blvd., Suite 978, Toronto, Ontario M4T 1K2 to request copies of the Corporation's financial statements and related management's discussion and analysis. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its two most recently completed financial years.

The contents of this Circular have been approved and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

BY ORDER OF THE BOARD

"Bruce Langstaff"

Bruce Langstaff

Executive Chairman
Vancouver, British Columbia

August 30, 2021

SCHEDULE "A"

Audit Committee Charter

1. Purpose

1.1 The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;
(b) enhance the independence of the external auditor;
(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
(d) increase the credibility and objectivity of the Corporation's financial reports and public disclosure.

1.2 The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3 The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1 Each member of the Audit Committee must be a director of the Corporation.

2.2 The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Corporation or any of its affiliates.

2.3 The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
(c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
(b) recommending to the Board of Directors the compensation of the external auditor;
(c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
(d) overseeing the work of the external auditor;
(e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

(f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Corporation's audits;
(g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
(h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
(i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
(j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
(k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Corporation, prior to its dissemination to the public;
(l) overseeing the adequacy of the Corporation's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
(m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
(n) resolving disputes between management and the external auditor regarding financial reporting;
(o) establishing procedures for:
    i. the receipt, retention and treatment of complaints received by the Corporation from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
    ii. the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters.
(p) reviewing and approving the Corporation's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
(q) pre-approving all non-audit services to be provided to the Corporation or any subsidiaries by the Corporation's external auditor;
(r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2 The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Corporation or of an affiliate of the Corporation.

5.2 The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3 The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4 The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5 A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6 The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Corporation at least annually to review the financial affairs of the Corporation.

5.7 The Audit Committee will meet with the external auditor of the Corporation at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8 The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

6.1 The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

SCHEDULE "B"
OMNIBUS LONG-TERM INCENTIVE PLAN

Attached is the Omnibus Long-Term Incentive Plan

NABIS HOLDINGS INC.

OMNIBUS LONG-TERM INCENTIVE PLAN

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NABIS HOLDINGS INC.
OMNIBUS LONG-TERM INCENTIVE PLAN

Nabis Holdings Inc. (the "**Corporation**") hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation's long-term results.

ARTICLE 1—DEFINITIONS

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Affiliates**" has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

"**Awards**" means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan, and for greater certainty includes Dividend Share Units (as defined in Section 5.2);

"**Award Agreement**" means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

"**Black-Out Period**" means the period of time required by applicable law when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;

"**Board**" means the board of directors of the Corporation as constituted from time to time;

"**Broker**" has the meaning ascribed thereto in Section 7.4(2) hereof;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, or Vancouver, British Columbia, Canada for the transaction of banking business;

"**Cancellation**" has the meaning ascribed thereto in Section 2.5(1) hereof;

"**Cash Equivalent**" means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant's Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;

"**Change of Control**" means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

(a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other

securities granted by the Corporation under any of the Corporation's equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;

(b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;

(c) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;

(d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or

(e) individuals who, on the effective date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

"**Code of Ethics**" means any code of ethics adopted by the Corporation, as modified from time to time;

"**Corporation**" means Nabis Holdings Inc., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

"**CSE**" means the Canadian Securities Exchange;

"**Discounted Market Price**" has the meaning given to such term in CSE Policy 6, as amended, supplemented or replaced from time to time;

"**Dividend Share Units**" has the meaning ascribed thereto in Section 5.2 hereof;

"**Eligible Participants**" has the meaning ascribed thereto in Section 2.4(1) hereof;

"**Employment Agreement**" means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

"**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

"**Exercise Price**" has the meaning ascribed thereto in Section 3.2(1) hereof;

"**Expiry Date**" has the meaning ascribed thereto in Section 3.4 hereof;

"**Insider**" has the meaning attributed thereto in the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

"**Investor Relations Activities**" has the meaning given to such term in CSE Policy 1, as amended, supplemented or replaced from time to time;

"**Market Value**" means at any date when the market value of Shares of the Corporation is to be determined, the three-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

"**Non-Employee Directors**" means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, consultants or service providers providing ongoing services to the Corporation or its Affiliates;

"**Option**" means an option granted to the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof;

"**Option Agreement**" means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix "A", or such other form as the Board may approve from time to time;

"**Participants**" means Eligible Participants that are granted Awards under the Plan;

"**Participant's Account**" means an account maintained to reflect each Participant's participation in RSUs and/or PSUs under the Plan;

"**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or the financial

performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

"**Performance Period**" means the period determined by the Board pursuant to Section 4.4 hereof;

"**Person**" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

"**Plan**" means this Omnibus Long-Term Incentive Plan, as amended and restated from time to time;

"**PSU**" means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

"**PSU Agreement**" means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix "D", or such other form as the Board may approve from time to time;

"**Restriction Period**" means the period determined by the Board pursuant to Section 4.3 hereof;

"**RSU**" means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

"**RSU Agreement**" means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix "C", or such other form as the Board may approve from time to time;

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary. For greater certainty, a "Share Compensation Arrangement" does not include a security based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Corporation;

"**Shares**" means the common shares in the capital of the Corporation;

"**Share Unit**" means a RSU or PSU, as the context requires;

"**Share Unit Settlement Date**" has the meaning determined in Section 4.6(1)(a);

"**Share Unit Settlement Notice**" means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

"**Share Unit Vesting Determination Date**" has the meaning described thereto in Section 4.5 hereof;

"**Stock Exchange**" means the CSE, TSX or TSXV, as applicable from time to time;

"**Subsidiary**" means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

"**Successor Corporation**" has the meaning ascribed thereto in Section 6.1(3) hereof;

"**Surrender**" has the meaning ascribed thereto in Section 3.6(3);

"**Surrender Notice**" has the meaning ascribed thereto in Section 3.6(3);

"**Tax Act**" means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

"**Termination Date**" means the date on which a Participant ceases to be an Eligible Participant;

"**Trading Day**" means any day on which the Stock Exchange is opened for trading;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange; and

"**U.S. Participant**" means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code.

ARTICLE 2—PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Participants.

Section 2.2 Implementation and Administration of the Plan.

(1) Subject to Section 2.3, this Plan will be administered by the Board.

(2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.

(3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.

(4) The day-to-day administration of the Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.

(5) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

Section 2.3 Delegation to Committee.

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

Section 2.4 Eligible Participants.

(1) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be the bona fide directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates; notwithstanding the foregoing, providers of Investor Relations Activities shall not be included as Eligible Participants entitled to receive Share Units related to RSU Agreements or PSU Agreements.

(2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship, employment or appointment with the Corporation.

(3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

Section 2.5 Shares Subject to the Plan.

(1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Options under the Plan shall not exceed ten percent (10%) of the total issued and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time, provided that at all times when the Corporation is listed on the CSE, the shareholder approval referred to herein must be obtained on a "disinterested" basis in compliance with the applicable policies of the CSE. In addition, the total number of Shares reserved and available for grant and issuance pursuant to the Share Units shall not exceed 510,000.

(2) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.

Section 2.6 Participation Limits.

Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to the Plan, prior to the Participant becoming an Insider, shall be excluded for the purposes of the limits set out in this Section 2.6.

Section 2.7 Additional CSE Limits.

(1) In addition to the requirements in Section 2.5 and Section 2.6, subject to Section 4.2(7), and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the CSE:

(a) the total number of Shares which may be reserved for issuance to any one Eligible Participant under the Plan together with all of the Corporation's other previously established or proposed share compensation arrangements shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis);

(b) the aggregate number of Awards to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares calculated at the date an option is granted;

(c) the aggregate number of Options to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period calculated at the date an option is granted (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities);

(d) Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more the 25% of the Options vesting in any three (3) month period notwithstanding any other provision of this Plan; and

(e) the aggregate number of Share Units issuable to all Eligible Participants under the Plan must not exceed 510,000.

ARTICLE 3—OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

Section 3.2 Option Awards.

(1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such

Option (the "**Exercise Price**"), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.

(2) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to 1/3 on the first anniversary date of the grant, 1/3 on the second anniversary of the date of grant, and 1/3 on the third anniversary of the date of grant.

(3) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the CSE, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with CSE Policy 6.

Section 3.3 Exercise Price.

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant and in any event shall not be less than the Discounted Market Price.

Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant's Option Agreement, at which time such Option will expire (the "**Expiry Date**"). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

Section 3.5 Exercise of Options.

(1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.

(2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.

(3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 3.6 **Method of Exercise and Payment of Purchase Price.**

(1) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with cash, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.

(2) Subject to Section 3.6(5), pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a "cashless exercise" with the assistance of a broker in order to facilitate the exercise of such Participant's Options. The "cashless exercise" procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.

(3) Subject to Section 3.6(5), in addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(1) or Section 3.6(2), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option ("**Surrender**") with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule "B" to the Option Agreement (a "**Surrender Notice**"), elect to receive that number of Shares calculated using the following formula:

X = (Y * (A-B)) / A

Where:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

(4) Subject to Section 3.6(5), upon the exercise of an Option pursuant to Section 3.6(1) or Section 3.6(3), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.

(5) Notwithstanding any other provision of this Plan, the "cashless exercise" provisions contained in each of Section 3.6(2), Section 3.6(3) and Section 3.6(4) shall not apply at all times when the Corporation is listed on the CSE, and such provisions shall be of no force and effect during such period.

ARTICLE 4 —SHARE UNITS

Section 4.1 Nature of Share Units.

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 4.2 Share Unit Awards.

(1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under the Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

(2) The RSUs and PSUs are structured so as to be considered to be a plan described in Section 7 of the Tax Act or any successor to such provision.

(3) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.

(4) Share Units shall be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Share Unit Settlement Date.

(5) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.

(6) Each Non-Employee Director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director's annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

(7) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the CSE, no person retained to provide Investor Relations Activities shall receive any grant of Share Units in compliance with CSE policies.

Section 4.3 Restriction Period Applicable to Share Units.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2019 shall end no later than December 31, 2022. Subject to the Board's determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless

otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.

(1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2019, the Performance Period will start on January 1, 2019 and will end on December 31, 2021.

(2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

Section 4.5 Share Unit Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the "**Share Unit Vesting Determination Date**"), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

Section 4.6 Settlement of Share Unit Awards.

(1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:

(a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the date that is five (5) years from their Share Unit Vesting Determination Date (the "**Share Unit Settlement Date**"); and

(b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.

(2) Subject to Section 4.6(4), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:

(a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;

(b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or

(c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

(3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(2).

(4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period is terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

Section 4.7 Determination of Amounts.

(1) Cash Equivalent of Share Units. For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.

(2) Payment in Shares; Issuance of Shares from Treasury. For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

ARTICLE 5—GENERAL CONDITIONS

Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

(1) Employment - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the

Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.

(2) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.

(3) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

(4) **Non-Transferability** – Except as set forth herein, Awards are not transferable and not assignable. Awards may be exercised only upon the Participant's death, by the legal representative of the Participant's estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

(5) **Hold Period** – The granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the Market Price, shall be subject to a four-month hold period in compliance with the applicable policies of the CSE.

Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

Section 5.3 Termination of Employment.

(1) Each Share Unit and Option shall be subject to the following conditions:

(a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Ethics and any reason determined by the Corporation to be cause for termination.

(b) **Retirement.** In the case of a Participant's retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Share Units and/or Options following the Termination Date.

(c) **Resignation**. In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.

(d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "cause", resignation or death) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.

(e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one hundred eighty (180) days after the death of such Participant.

(f) **Change of Control.** If a participant is terminated without "cause" or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.

(2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.

(3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the

Participant after the date of cessation of employment or if working notice of termination had been given.

Section 5.4 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

ARTICLE 6—ADJUSTMENTS AND AMENDMENTS

Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

(1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

(2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

(3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**"), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may

be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.

(4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 6.2 Amendment or Discontinuance of the Plan.

(1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:

(a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;

(b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and

(c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:

(i) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan;

(ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the CSE shall be required at all times when the Corporation is listed on the CSE);

(iii) any amendment regarding the effect of termination of a Participant's employment or engagement;

(iv) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;

(v) any amendment regarding the administration of this Plan;

(vi) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the

Corporation, this Plan or the shareholders of the Corporation (provided, however, that any Stock Exchange shall have the overriding right in such circumstances to require shareholder of any such amendments); and

(vii) any other amendment that does not require the shareholder approval under Section 6.2(2).

(2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:

(a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;

(b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;

(c) any amendment that would permit the introduction or reintroduction of Non-Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;

(d) any amendment to remove or to exceed the insider participation limit set out in Section 2.6;

(e) any amendment to the amendment provisions of the Plan.

At all times when the Corporation is listed on the CSE, the shareholder approval referred to in Section 6.2(2)(b) (if any such Award is held by an Insider) and Section 6.2(2)(d) above must be obtained on a "disinterested" basis in compliance with the applicable policies of the CSE.

(3) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board.

(4) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the CSE:

(a) the Corporation shall be required to obtain prior CSE acceptance of any amendment to this Plan; and

(b) The Corporation shall be requried to obtain disinterested shareholder approval in compliance with the applicable policies of the CSE for this Plan if, together with all of the Corporation's previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Shares; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider.

Section 6.3 Change of Control.

(1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar

options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of the Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Criteria prior to the Change of Control.

(2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

ARTICLE 7—MISCELLANEOUS

Section 7.1 Currency.

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

Section 7.2 Compliance and Award Restrictions.

(1) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.

(2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.

(3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.

(4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.

(5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

Section 7.3 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 7.4 Tax Withholding.

(1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.

(2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.4(1) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.

(3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

(4) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 7.5 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 7.6 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 7.7 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 7.8 Effective Date of the Plan.

The Plan was approved by the Board and shall take effect as of July 2, 2020.

ADDENDUM FOR U.S. PARTICIPANTS
NABIS HOLDINGS INC.
OMNIBUS LONG-TERM INCENTIVE PLAN

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

1. Definitions

"**cause**" has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for "cause" within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation's (or applicable Subsidiary's) receipt of such notice.

"**Separation from Service**" means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

"Specified Employee" has the meaning set forth in Treasury Regulation Section 1.409A-1(i).

2. Expiry Date of Options

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

3. Non-Employee Directors

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned before the date such election is made. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant's Separation from Service, or (ii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.

4. Settlement of Share Unit Awards.

(a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, all of the vested Share Units subject to any RSU or PSU shall be settled on earlier of (i) the date set forth in the U.S. Participant's Share Unit Settlement Notice which shall be no later than the fifth anniversary of the applicable Share Unit Vesting Determination Date, (ii) the U.S. Participant's Separation from Service, or (iii) a Change of Control provided that such change of control event constitutes a change of control within the meaning of Section 409A.

(b) Notwithstanding Section 4.6(1)(b) of the Plan, any U.S. Participant must deliver to the Corporation a Share Unit Settlement Notice specifying the Share Unit Settlement Date and form of settlement for his or her RSUs or PSUs on or prior to December 31 of the calendar year prior to the calendar year of the grant; provided that, the Share Unit Settlement Date may be specified at any time prior to the grant date, if the award requires the U.S. Participant's continued service for not less than 12 months after the grant date in order to vest in such Award. Any such election of Share Unit Settlement Date shall be irrevocable as of the last date in which it is permitted to be made in accordance with the forgoing sentence. Notwithstanding the foregoing, if any U.S. Participant fails to timely submit a Share Unit Settlement Notice in accordance with the foregoing, then such U.S. Participant's Share Unit Settlement Date shall be deemed to be the fifth anniversary of the Share Unit Vesting Determination Date, in addition, such settlement shall be in the form of Shares, Cash Equivalent, or a combination of both as determined by the Corporation in its sole discretion.

(c) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

5. Dividend Share Units

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

6. Termination of Employment

(a) Notwithstanding Section 5.3(1)(b) of the Plan, any unvested Share Units held by a Participant that retires shall be deemed vested as of the Termination Date and shall be settled at such time as set forth in Section 3 to this Addendum.

(b) For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or one hundred and eighty days after the death of such Participant.

7. Specified Employee

Each grant of Share Units to a U.S. Participant is intended to be exempt from or comply with Code Section 409A. To the extent any Award is subject to Section 409A, then

(a) all payments to be made upon a U.S. Participant's Termination Date shall only be made upon such individual's Separation from Service.

(b) if on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in

accordance with the requirements of Code Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Participant's Separation from Service shall be postponed until the earlier of the originally scheduled date and six months following the U.S. Participant's Separation from Service. The postponed amount shall be paid to the U.S. Participant in a lump sum within 30 days after the earlier of the originally scheduled date and the date that is six months following the U.S. Participant's Separation from Service. If the U.S. Participant dies during such six month period and prior to the payment of the postponed amounts hereunder, the amounts delayed on account of Code Section 409A shall be paid to the U.S. Participant's estate within 60 days following the U.S. Participant's death.

8. **Adjustments.**

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

9. **General**

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

APPENDIX "A"

FORM OF OPTION AGREEMENT

NABIS HOLDINGS INC.

OPTION AGREEMENT

This Stock Option Agreement (the "**Option Agreement**") is granted by Nabis Holdings Inc. (the "**Corporation**"), in favour of the optionee named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee**. The Optionee is [●] and the address of the Optionee is currently [●].

2. **Number of Shares**. The Optionee may purchase up to [●] Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in Section 6 of this Option Agreement.

3. **Exercise Price**. The exercise price is Cdn $ [●] per Option Share (the "**Exercise Price**").

4. **Date Option Granted**. The Option was granted on [●].

5. **Expiry Date**. The Option terminates on [●]. (the "**Expiry Date**").

6. **Vesting**. The Option to purchase Option Shares shall vest and become exercisable as follows:

   [●]

7. **Exercise of Options**. In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.

8. **Transfer of Option**. The Option is not-transferable or assignable except in accordance with the Plan.

9. **Inconsistency**. This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.

10. **Severability**. Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. **Entire Agreement**. This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

12. **Successors and Assigns**. This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.

13. **Time of the Essence**. Time shall be of the essence of this Agreement and of every part hereof.

14. **Governing Law**. This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15. **Counterparts**. This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the _____ day of _____, 20__.

NABIS HOLDINGS INC.

By: _____

Name:

Title:

_____ _____

Witness [Insert Participant's Name]

SCHEDULE "A"
ELECTION TO EXERCISE STOCK OPTIONS

TO: NABIS HOLDINGS INC. (the "Corporation")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20___ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:	_____
Exercise Price (per Share):	Cdn.$_____
Aggregate Purchase Price:	Cdn.$_____
Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount):	Cdn.$_____

□ Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of _____ _____.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this _____ day of _____, _____.

_____
Signature of Participant

_____
Name of Participant (Please Print)

SCHEDULE "B"
SURRENDER NOTICE

TO: **NABIS HOLDINGS INC.** (the "**Corporation**")

The undersigned Optionee hereby elects to surrender _____ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20___ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**") in exchange for Shares as calculated in accordance with Section 3.6(3) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of _____.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, _____.

_____
Signature of Participant

_____
Name of Participant (Please Print)

APPENDIX "B"

FORM OF RSU AGREEMENT

NABIS HOLDINGS INC.

RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement ("**RSU Agreement**") is granted by Nabis Holdings Inc. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the restricted share units ("**RSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient**. The Recipient is [●] and the address of the Recipient is currently [●].

2. **Grant of RSUs**. The Recipient is hereby granted [●] RSUs.

3. **Restriction Period**. In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].

4. **Performance Criteria**. [●].

5. **Performance Period**. [●].

6. **Vesting**. The RSUs will vest as follows:

   [●].

7. **Transfer of RSUs**. The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.

8. **Inconsistency**. This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.

9. **Severability**. Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

10. **Entire Agreement**. This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. **Successors and Assigns**. This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.

12. **Time of the Essence**. Time shall be of the essence of this Agreement and of every part hereof.

13. **Governing Law**. This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

14. **Counterparts**. This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the _____ day of _____, 20__.

NABIS HOLDINGS INC.

By: _____

Name:

Title:

_____ _____

Witness **[Insert Participant's Name]**

APPENDIX "C"

FORM OF PSU AGREEMENT

NABIS HOLDINGS INC.

PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement ("**PSU Agreement**") is granted by Nabis Holdings Inc. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the performance share units ("**PSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient**. The Recipient is [●] and the address of the Recipient is currently [●].

2. **Grant of PSUs**. The Recipient is hereby granted [●] PSUs.

3. **Restriction Period**. In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].

4. **Performance Criteria**. [●].

5. **Performance Period**. [●].

6. **Vesting**. The PSUs will vest as follows:

   [●].

7. **Transfer of PSUs**. The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.

8. **Inconsistency**. This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.

9. **Severability**. Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

10. **Entire Agreement**. This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. **Successors and Assigns**. This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.

12. **Time of the Essence**. Time shall be of the essence of this Agreement and of every part hereof.

13. **Governing Law**. This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

14. **Counterparts**. This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the _____ day of _____, 20__.

NABIS HOLDINGS INC.

By: _____

Name:

Title:

_____ _____

Witness **[Insert Participant's Name]**

APPENDIX "D"

FORM OF U.S. PARTICIPANT/NON-EMPLOYEE DIRECTOR ELECTION FORM

NABIS HOLDINGS INC.

I _____[name] wish to defer 100% of my annual retainer (including any annual retainers or fees for service on committees of the Board) for the calendar year [____] and any future calendar years unless and until I make a new election in accordance with the Plan and the Addendum. I, do hereby elect to have a Share Unit Settlement Date of [___] anniversary of the grant date of such RSUs, or if earlier upon my Separation from Service in respect of all of such RSUs (including any accumulated Dividend Share Units), and otherwise in accordance with the Plan and the special provisions of the Addendum to the Plan applicable to U.S. Participants.

I understand that this election shall be irrevocable as of the last date in which I am permitted to make such election in accordance with Section 3 of the Addendum to the Plan and I shall only be permitted to revoke or modify this election up to such date. I understand that this election shall apply to any other grants of RSUs that I may be granted in the future (if any) in respect of any retainer fees payable in future calendar years (and will become irrevocable as of December 31 of the prior calendar year) until I make a later election, which election shall be made no later than the date set forth in Section 3 of the Addendum to the Plan.

All capitalized terms not defined in this Election Form have the meaning set out in the Plan.

I understand and agree that the granting and settlement of RSUs are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Election Form.

_____	_____
Non-Employee Director Name	Date
_____	_____
Witness	Date

SCHEDULE "C"
NEW ARTICLES OF THE CORPORATION

Attached are the new Articles of the Corporation

Incorporation number: BC1210582

NABIS HOLDINGS INC.

(the "Company")

ARTICLES

DATED: _____

The Company has as its articles the following Articles.

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(a) **"appropriate person"** has the meaning assigned in the *Securities Transfer Act*;

(b) **"board of directors"**, **"directors"** and **"board"** mean the directors or sole director of the Company for the time being;

(c) **"*Business Corporations Act*"** means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(d) **"Interpretation Act"** means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(e) **"legal personal representative"** means the personal or other legal representative of a shareholder;

(f) "**month**" means a calendar month;

(g) **"protected purchaser"** has the meaning assigned in the *Securities Transfer Act*;

(h) **"registered address"** of a director means the director's address as recorded in the register of directors of the Company;

(i) **"registered address"** of a shareholder means the shareholder's address as recorded in the central securities register of the Company;

(j) "**registered owner**" or "**registered holder**" or "**holder**" when used with respect to a share of the Company means the person registered in the central securities register of the Company in respect of such share;

(k) "**regulations**" means the regulations from time to time in force and made pursuant to the *Business Corporations Act*;

(l) **"seal"** means the seal of the Company, if any;

(m) **"securities legislation"** means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **"Canadian securities legislation"** means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and **"U.S. securities legislation"** means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and

(n) **"Securities Transfer Act"** means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 References to Writing

Expressions referring to writing will be construed as including printing, lithography, typewriting, photography, photocopying, facsimile transmission, electronic media and all other modes of representing or reproducing words in a visible form.

1.3 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

1.4 Table 1 Not Applicable

The provisions contained in Table 1 to the regulations to the *Business Corporations Act* shall not apply to the Company.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company will be in such form as the directors may approve from time to time and will comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name; or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share or shares held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment, and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. The Company will not be bound to issue certificates representing redeemable shares if such shares are to be redeemed within one month of the date on which they are allotted.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company nor any transfer agent is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they may, on production to the Company of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they may think fit:

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be, in lieu thereof.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company may issue a new share certificate, if that person:

(a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(b) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(c) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company will cancel the surrendered share certificate and issue, in lieu thereof, share certificates in accordance with such request.

2.9 Certificate Fee

The directors may from time to time determine the amount of a charge, not exceeding the amount prescribed under the *Business Corporations Act* or the regulations, to be imposed for each certificate issued under Articles 2.5, 2.6 or 2.8.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the shares of the Company will be under the control of the directors, who may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company. The directors will determine, in their sole discretion, what is reasonable in the circumstances.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid and the Company will have received the full consideration therefor in cash, property or past services actually performed for the Company. A document evidencing indebtedness of the allottee is not property for the purposes of this Article 3.4. The value of property or services for the purpose of this Article 3.4 will be the value determined by the directors by resolution to be, in all the circumstances of the transaction, no greater than the fair market value thereof. The full consideration for a share issued by way of dividend will be the amount determined by the directors to be the amount of the dividend.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

The Company will maintain at its records office or another location in British Columbia designated by the directors a central securities register as required by the *Business Corporations Act.* The Company may maintain branch securities registers at any locations inside or outside British Columbia designated by the directors. The directors may appoint one or more trust companies or other persons authorized by the *Business Corporations Act* (as the case may be, a "**trust company**") to maintain the aforesaid central securities register and branch securities registers. The directors may also appoint one or more trust companies, including the trust company which keeps the central securities register, as transfer agent for its shares or any class or series thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or any class or series thereof, as the case may be. The directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 Closing Register

The Company will not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(a) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(b) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(c) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a Court certified copy of them or the original or a Court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest, and produce such documents and do such things as the *Business Corporations Act* requires.

6.2 Rights of Legal Personal Representative on Death

Upon the death of a shareholder, his or her personal representative, although not a shareholder, has the same rights, privileges and obligations that attach to the shares formerly held by the deceased shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

6.3 Rights of Legal Personal Representative on Bankruptcy

Upon the bankruptcy of a shareholder, such shareholder's trustee in bankruptcy, although not a shareholder, has the same rights, privileges and obligations that attach to the shares held by the bankrupt shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company.

6.4 Registration on Transfer of Shares after Death or Bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder will, upon such documents and evidence being produced to the Company as the *Business Corporations Act* and *Securities Transfer Act* require, or who becomes entitled to a share as a result of an Order of a Court of competent jurisdiction or a statute, have the right either to be registered as a shareholder in his or her representative capacity in respect of such share or, if he or she is a personal representative or trustee in bankruptcy, instead of being registered himself or herself, to make such transfer of the share as the deceased or bankrupt person could have made. Notwithstanding the foregoing, the directors will, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

7. ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge (whether by way of specific or floating charge), grant a security interest in, or give other security on, the whole or any part of the present and future property, assets and undertaking of the Company.

Any bonds, debentures, notes or other debt obligations of the Company may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of the shareholders of the Company, appointment of directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the directors may by resolution change the authorized share structure of the Company by:

(a) creating one or more classes or series of shares;

(b) increasing, reducing or eliminating the maximum number of shares that the Company is authorized to issue out of any class or series of shares;

(c) establishing a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(d) subdividing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of smaller par value;

(e) subdividing all or any of its unissued, or fully paid issued, shares of the Company without par value;

(f) consolidating all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of larger par value;

(g) consolidating all or any of its unissued, or fully paid issued, shares of the Company without par value;

(h) if the Company is authorized to issue shares of a class of shares with par value:

  (i) decreasing the par value of those shares; or

  (ii) increasing the par value of those shares if none of the shares of that class of shares are allotted or issued;

(i) eliminating any class or series of shares of the Company if none of the shares of that class or series of shares are allotted or issued;

(j) changing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares without par value;

(k) changing all or any of its unissued, or fully paid issued, shares of the Company without par value into shares with par value;

(l) altering the identifying name of any of the shares of the Company; or

(m) otherwise altering the Company's shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, the directors may, by resolution, authorize and cause the Company to alter its Notice of Articles to reflect any change in the authorized share structure of the Company pursuant to this Article 9.1 or otherwise.

Notwithstanding this Article 9.1, if any change in the authorized share structure of the Company would result in a right or special right attached to issued shares being prejudiced or interfered with, special rights or restrictions being created and attached to a class or series of shares or special rights and restrictions being varied or deleted from a class or series of shares, the change must be authorized as provided for in Articles 9.2 and 9.3.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and the Company may, by ordinary resolution, alter these Articles to reflect any such creation and attachment, variation or deletion of special rights or restrictions pursuant to this Article 9.2.

9.3 No Prejudice to Existing Shareholders

Notwithstanding anything else contained in this Part 9, no right or special right attached to issued shares may be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a separate ordinary resolution of those shareholders.

9.4 Change of Name

The directors may by resolution authorize and cause the Company to alter its Notice of Articles in order to change its name.

9.5 Other Alterations

Unless a different type of resolutions is required by the *Business Corporations Act* or these Articles, the directors may by resolution authorize and cause the Company to make any alterations to its Notice of Articles or these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors at a location inside or outside of the Province of British Columbia.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

10.5 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining the shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. (local time at the place of the Company's records office) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company and any reports of the directors or auditor;

(iii) fixing or changing of the number of directors;

(iv) the election or appointment of directors;

(v) the appointment of an auditor;

(vi) fixing the remuneration of the auditor;

(vii) the approval and the annual ratification of a rolling stock option plan pursuant to the requirements of any stock exchange on which the Company's shares listed;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Resolution Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Resolutions by Ordinary Resolution

Unless the *Business Corporations Act* or these Articles otherwise provide, any action to be taken by a resolution of the shareholders may be taken by an ordinary resolution.

11.4 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.5, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who are entitled to vote at the meeting.

11.5 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

11.6 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president or any other senior officer of the Company (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but a quorum need not be present throughout the meeting.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting will be dissolved; and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting will constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any;

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or

(c) if the chair of the board and the president are absent or unwilling to act as chair of the meeting, the solicitor for the Company.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board, president or solicitor for the Company present within 15 minutes after the time set for holding the meeting, or if the chair of the board, the president and the solicitor for the Company are unwilling to act as chair of the meeting, or if the chair of the board, the president and the solicitor for the Company have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

The chair of the meeting will be entitled to vote any shares carrying the right to vote held by him or here but in the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(b) if a representative is appointed under this Article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if

it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(d) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company](the "Company")

> The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, will be valid for use at such meeting and any such determination made in good faith will be final, conclusive and binding upon such meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) when his or her successor is elected or appointed; and

(d) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the remaining directors or director.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(a) one-third (1/3) of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third (1/3) of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may by ordinary resolution remove any director before the expiration of his or her term of office and may by ordinary resolution elect, or appoint a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company under the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "**appointor**") may by notice in writing received by the Company appoint any person (an "**appointee**") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct, but payment of such remuneration in every case to the appointor by the Company is a good and sufficient discharge of the Company's obligations in that regard and the Company need not enquire into or be concerned with the state of account between appointor and appointee.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage, or supervise the management of, the business and affairs of the Company and will have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of

persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of Auditors

The directors may by resolution set the remuneration of the Company's auditor without the need to obtain an ordinary resolution of the shareholders enabling them to do so.

17. DISCLOSURE OF INTEREST OF DIRECTORS AND SENIOR OFFICERS

17.1 Obligation to Disclose

Subject to Article 17.4, a director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a material contract or transaction into which the Company has entered or proposes to enter or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the disclosable interest or the conflict as required by the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a material contract or transaction into which the Company has entered or proposes to enter, or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter, or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Interested Director May Vote

Subject to the provisions of the Business Corporations Act, a director or senior officer need not disclose an interest in the following types of contracts and transactions, and a director need not refrain from voting in respect of the following types of contracts and transactions:

(a) a contract or transaction where both the Company and the other party to the contract or transaction are wholly owned subsidiaries of the same corporation;

(b) a contract or transaction where the Company is a wholly owned subsidiary of the other party to the contract or transaction;

(c) a contract or transaction where the other party to the contract or transaction is a wholly owned subsidiary of the Company;

(d) a contract or transaction where the director or senior officer is the sole shareholder of the Company or of a corporation of which the Company is a wholly owned subsidiary;

(e) an arrangement by way of security granted by the Company for money loaned to, or obligation undertaken by, the director or senior officer, or a person in whom the director or senior officer has a material interest, for the benefit of the Company or an affiliate of the Company;

(f) a loan to the Company, which a director or senior officer or a specified corporation or a specified firm in which he has a material interest has guarantee or joined in guaranteeing the repayment of the loan or any part of the loan;

(g) any contract or transaction made or to be made with, or for the benefit of a corporation that is affiliated with the Company and the director or senior officer is also a director or senior officer of that corporation nor an affiliate of that corporation;

(h) any contract by a director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company;

(i) determining the remuneration of the director or senior officer in that person's capacity as director, officer, employee or agent of the Company or an affiliate of the Company;

(j) purchasing and maintaining insurance to cover a director or senior officer against liability incurred by them as a director or senior officer; or

(k) the indemnification of any director or senior officer by the Company.

The foregoing exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the *Business Corporations Act*, either generally or in respect of any particular contract or transaction or for any particular period.

17.5 Director Holding Other Office in the Company

A director may hold any office or appointment with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or appointment the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they shall not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(a) in person;

(b) by telephone; or

(c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1 or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in any medium in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) keep regular minutes of its transactions and cause them to be recorded in books kept for that purpose, and will report the same to the directors at such times as the directors may from time to time require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate or vary any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fees, wages, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension, gratuity or retirement allowance.

21. INDEMNIFICATION

21.1 Definitions

In this Part 21:

(a) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "**eligible party**") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "**expenses**" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the directors will cause the Company to indemnify a director, officer or alternate director of the Company or a former director, officer or alternate director of the Company or a person who, at the request of the Company, is or was a director, officer or alternate director of another corporation, at a time when the corporation is or was an affiliate of the Company, or a person who, at the request of the Company, is or was or holds or held a position equivalent to that of a director, officer or alternate director of a partnership, trust, joint venture or other unincorporated entitle (in each case, an "**eligible party**"), and the heirs and legal personal representatives of any such eligible party, against all judgment, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action (whether current, threatened, pending or completed) in which such eligible party or any of the heirs and legal personal representatives of such eligible party, by reason of such eligible party being or having been a director, officer or alternate director or

holding or having held a position equivalent to that of a director, officer or alternate director, is or may be joined as a party or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to the proceeding. Provided the Company first receives a written undertaking from the eligible party to repay amounts advanced if so required under the *Business Corporations Act*, the directors will cause the Company to pay, as they are incurred in advance of the final disposition of the proceeding, the costs, charges and expenses, including legal and other fees actually reasonably incurred by the eligible party in respect of the proceeding. After the final disposition of the proceeding, the directors will cause the Company to pay the expenses actually and reasonably incurred by the eligible party in respect of that proceeding, to the extent the eligible party has not already been reimbursed for such expenses, subject to the provisions of the *Business Corporations Act*. Each director, officer and alternate director, on being elected or appointed, is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 21.

21.5 Company May Purchase Insurance

The directors may cause the Company to purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, alternate director, officer, employee or agent of the Company;

(b) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company; or

(c) at the request of the Company, is or was or holds or held a position equivalent to that of a director, alternate director, officer, employee or agent of a partnership, trust, joint venture or other unincorporated entity;

and the person's heirs or legal personal representatives against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time and at any time declare and authorize payment of such dividends on such class or series of shares of the Company as they may deem advisable, to the exclusion of any other class or series of shares.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (local time at the place of the registered office of the Company) on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in cash or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class; or

(e) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such notice, statement, report or other record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company will not be required to send any further notice, statement, report or other record to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Part 26:

(a) **"security"** has the meaning assigned in the *Securities Act* (British Columbia);

(b) **"transfer restricted security"** means:

(i) a share of the Company;

(ii) a security of the Company convertible into shares of the Company;

(iii) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

SCHEDULE "D"

DISSENT PROVISIONS

DIVISION 2 OF PART 8 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Division 2 — Dissent Proceedings

Definitions and application

237(1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(iii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement

referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243(1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "E"
PLAN OF ARRANGEMENT

Attached is the Plan of Arrangement

PLAN OF ARRANGEMENT

SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF A PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF NABIS HOLDINGS INC. AND INVOLVING NABIS (US) CORP., NABIS AZ LLC, NABIS ARIZONA PROPERTY, LLC, NABIS JOINT VENTURES, AZ,LLC, NABOS HEMP HOLDINGS, LLC, NABIS HOLDINGS WASHINGTON, LLC AND 0896323 B.C. LTD., AARON SALZ, CANACCORD GENUITY CORP., CARAVEL CAD FUND LTD., CARRERA CAPITAL MANAGEMENT INC., GREENVISION LLC, THE K2 PRINCIPAL FUND LP, ZAFFRAN LAURENT, MATCO FINANCIAL INC., RAUNI MALHI, NEWTON ALTERNATIVE INCOME FUND, PALOS MANAGEMENT INC., PARKWOOD MASTER FUND INC., SAMARA MASTER FUND LTD., MIKE SHANNON, ZELOS CAPITAL LTD., GEORGE AND HELEN ZICHERMAN, ROBERT ZICHERMANMR, NICHOLAS KRYTIUK, MR SANIT SAM CHANHAO, MR. SEAN ZABOROSKI, MRS. MAYA KATSNELSON, ABACUS PRIVATE EQUITY, MIKE LABANOVICH HOLDINGS LTD., MR KOSI CUDJOE STOBBS, PETER BRYANT, MR JAN VAN LEEUWEN, ASHLEY LEONE, MR TERRY ALEXANDER, MR JUSTIN W NORBRATEN, MR MICHAEL D BOYES, 9148-7173 QUEBEC INC., MR MATTHEW J GOWANLOCK, MRS. VICTORIA KATE MORISSET, MR SCOTT COWIE, MRS BIRDIE L GORE, MR DAISY K CHAHAL, MR DIEGO LATTANZIO, MR MICHAEL LABANOVICH, MR STEVE GROVES, MRS TARA LATTANZIO, JENNIFER L TAYLOR, GURKIRPAL S SANGHA AND/OR GURPREET PURHAR, MR. LIRAN KANDINOV, MICHAEL BRUNO, CURTIS PITRE, MR CAMERON GORE AND/OR MS KAT GORE . JTWROS, MR VERNON JOONKEET WONG, MR. FIMA SHNET, ALEXEI PASYUKOV, 9048-4676 QUEBEC INC., BEDFORD PARK OPPORTUNITIES FUN, NON CLAIM REORG-CANADIEN, CDS & CO, CONSOLIDATED ENTERPRISES LTD., LINA DEICH, 2281140 ONTARIO INC. AND 2278372 ONTARIO, NBF INC., JOHN NORMAN, ODYSSEY TRUST COMPANY AS DEPOSITARY, ODYSSEY TRUST COMPANY, SIMON PETERSEN, ELLA SHNET, KJ HARRISON & PARTNERS INC.

NABIS HOLDINGS INC.

PLAN OF ARRANGEMENT

AUGUST XX, 2021

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PLAN OF ARRANGEMENT

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated:

"**Arrangement**" means an arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan, subject to any amendments or variations thereto made in accordance with Section 6.5 of this Plan and the Support Agreements or made at the direction of the Court in the Interim Order or the Final Order and with the consent of the Company and the Requisite Consenting Parties, each acting reasonably.

"**BCBCA**" means the *Business Corporations Act*, SBC 2002, c 57, as amended.

"**BCBCA Proceedings**" means the proceedings commenced by the Petitioner under the BCBCA in connection with this Plan.

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario, or Vancouver, British Columbia.

"**Caravel Stock Purchase Agreement**" means the Stock Purchase Agreement dated August 23, 2021 made between the Company and Caravel CAD Fund Ltd.

"**CDS**" means the CDS Clearing and Depository Services Inc. and its successors and assigns.

"**Circular – Note Holders**" means the notice for the Unsecured Note Holders' Meeting, and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent by the Company to the Unsecured Note Holders in connection with the Unsecured Note Holders' Meeting, in form and substance acceptable to the Company and, to the extent applicable, the Requisite Consenting Parties.

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the applicable Persons, or any of them, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against the applicable Persons, or any of them, through any

affiliate, subsidiary, associated or related Person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative or regulatory tribunal), cause or chose in action, whether existing at present or commenced in the future.

"**Closing Certificate**" means a certificate in the form attached hereto as Appendix "A" which, when signed by an authorized representative of the Company, each of the Initial Supporting Unsecured Note Holders**,** will constitute acknowledgment by such Persons that this Plan has been implemented to their respective satisfaction.

"**Company**" means Nabis Holdings Inc.

"**Company Advisors**" means Chun Law Professional Corporation, Irwin Lowy LLP and Miller Titerle Law Corporation.

"**Court**" means the Supreme Court of British Columbia.

"**DTC**" means the Depository Trust & Clearing Corporation and its successors and assigns.

"**Effective Date**" means the date shown on the Closing Certificate.

"**Effective Time**" means the time on the Effective Date specified as the "Effective Time" on the Closing Certificate.

"**Final Order**" means the Order of the Court approving the Arrangement under Section 291 of the BCBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and this Plan, in form and substance acceptable to the Company and the Requisite Consenting Parties, each acting reasonably.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, municipality or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Guarantors**" means the guarantors as defined in the Indenture, being collectively, Nabis (US) Corp., Nabis AZ LLC, Nabis Arizona Property, LLC, Nabis Joint Ventures, AZ, LLC, Nabis Hemp Holdings, LLC, and Nabis Holdings Washington, LLC.

"Indenture" means the Senior Unsecured Notes Indenture dated as of January 26, 2021 among the Company, as Issuer, the Guarantors party thereto and the Trustee (including all annexes, exhibits and schedules thereto, as the same has been (pursuant to the First Amendment and Supplement to Senior Unsecured Notes Indenture dated as of April 1, 2021 among the Trustee and the Company), or may in the future be, amended, modified, restated, supplemented or replaced from time to time).

"**Initial Supporting Unsecured Note Holders**" means those Unsecured Note Holders who were initial signatories to the Support Agreement, which holders hold in aggregate not less than **75%** of the aggregate principal amount of Unsecured Notes held by all Unsecured Note Holders.

"**Interim Order**" means the interim Order of the Court in respect of the Company and the Arrangement pursuant to the BCBCA, in form and substance acceptable to the Company and the Requisite Consenting Parties, which, among other things, calls and sets the date for the Meeting, as

such order may be amended from time to time in a manner acceptable to the Company and the Requisite Consenting Parties.

"**Intermediary**" means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary.

"**Law**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity, but excluding all U.S. federal and Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules and regulations which apply to the production, trafficking, distribution, processing, extraction, sale or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "**Excluded Laws**"), provided, however, that Excluded Laws shall not include any provision of the United States. Internal Revenue Code, as amended, including, without limitation, Section 280E of such Code.

"**Meeting**" means the Unsecured Note Holders' Meeting.

"**Nabis Parties**" means, collectively, Nabis and the Guarantors and any non-Guarantor subsidiaries of Nabis.

"**Order**" means any order of the Court in the BCBCA Proceedings.

"**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Petitioner**" means the Company.

"**Plan**" means this plan of arrangement and any amendments, modifications or supplements hereto made in accordance with the terms hereof and the Support Agreements or made at the direction of the Court in the Interim Order or Final Order and with the consent of the Company and the Requisite Consenting Parties, each acting reasonably;

"**Record Date**" means August 24, 2021;

"**Requisite Consenting Parties**" means each of the Initial Supporting Unsecured Note Holders.

"**Support Agreements**" means the Support Agreements made as of July 2, 2021 among the Noteholders executing the Support Agreements as the "Noteholder" (as defined in that agreement), (including, for certainty, the term sheet appended thereto), as may be amended or supplemented from time to time pursuant to its terms.

"**Transfer Agent**" means Odyssey Trust Company.

"Trustee" means Odyssey Trust Company, as Trustee for the Unsecured Note Holders, under the Indenture.

"**Unsecured Note Documents**" means, collectively, (i) the Indenture, including the Guarantees (as defined in the Indenture), the Unsecured Notes, and ancillary agreements entered into by the Company and any Guarantor to which the Trustee or any Unsecured Note Holder is a party or a beneficiary, and (ii) all related documentation, including, without limitation, all certificates and other instruments, related to the foregoing.

"**Unsecured Note Holders**" means the holders of Unsecured Notes, in their capacity as such, and their permitted successors and assigns.

"**Unsecured Note Holder Claim**" means any Claim of an Unsecured Note Holder for any liabilities, duties and obligations, including, without limitation, principal and interest, any make whole, redemption or similar premiums, reimbursement obligations, fees, penalties, damages, guarantees, indemnities, costs, expenses or otherwise, and any other liabilities, duties or obligations, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Unsecured Notes or any other Unsecured Note Document.

"**Unsecured Note Indebtedness**" means, collectively, all of the obligations, indebtedness and liabilities of the Company and any other Nabis Party to the Unsecured Note Holders.

"**Unsecured Note Holders' Arrangement Resolution**" means the resolution of the Unsecured Note Holders relating to the Arrangement to be considered at the Unsecured Note Holders' Meeting, substantially in the form attached as Appendix "A-1" to the Circular - Note Holders.

"**Unsecured Note Holders' Meeting**" means the meeting of the Unsecured Note Holders as of the Record Date to be called and held pursuant to the Interim Order for the purpose of considering and voting on the Unsecured Note Holders' Arrangement Resolution and to consider such other matters as may properly come before such meeting and includes any adjournment(s) or postponement(s) of such meeting.

"**Unsecured Notes**" means the 5.3% Senior Unsecured Notes due 2023 issued under the Indenture.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

(a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;

(b) The division of this Plan into Articles and Sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;

(c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(d) The words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;

(f) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Entity includes all regulations made thereunder, all amendments to or re- enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(g) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and

(h) The word "or" is not exclusive.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian Dollars**.**

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

Time shall be of the essence in this Plan. Unless otherwise specified, all references to time expressed in this Plan and in any document issued in connection with this Plan mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

ARTICLE 2
THE ARRANGEMENT

2.1 Treatment of Unsecured Note Holders

(a) On the Effective Date and in accordance with the steps and sequence as set forth in Section 4.3:

(i) the Company will acquire all of the outstanding Unsecured Notes for an amount equal to $73.75 for each $100 principal amount of Unsecured Notes outstanding, which shall, and shall be deemed to, be received in full and final settlement of all Unsecured Notes, Unsecured Note Indebtedness and Unsecured Note Holder Claims; and

(ii) any and all accrued and unpaid interest owing to each Unsecured Note Holder**,** shall

be forgiven, settled and extinguished for no consideration.

(b) Except as otherwise noted herein, all references to the principal amount of the Unsecured Notes or the Unsecured Note Claims contained in this Plan shall refer to the principal amount of such Unsecured Notes or Unsecured Note Claims, if applicable, reduced by any unamortized original issue discount and excluding any make whole premiums, redemption premiums or other similar premiums.

(c) Without limiting the generality of the foregoing, other than pursuant to sections 2.1(a), no payment of any kind, including of principal, interest, default interest, excess interest, compound interest, special interest, additional amounts, fees, expenses, costs, charges, make-whole payments, penalties or any such other similar amounts, whether imposed in connection with a default, payment failure or a prepayment or otherwise, shall be payable to the Unsecured Note Holders pursuant to the Unsecured Notes, the Indenture, any other Unsecured Note Document or otherwise.

(d) After giving effect to the terms of this Section 2.1, the Unsecured Note Indebtedness, and obligations of the Nabis Parties with respect or in any way related to, the Unsecured Notes, and the Unsecured Note Documents shall, and shall be deemed to, have been settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Unsecured Note Holder shall have no further right, title or interest in or to, or recourse against the Company or any other Nabis Party with respect to, the Unsecured Notes, the Unsecured Note Indebtedness or its Unsecured Note Holder Claim, and the Unsecured Notes and the Unsecured Note Documents shall be cancelled and thereupon be null and void, and, for greater certainty, any and all security interests granted by any of the Nabis Parties in respect of the Unsecured Notes or Unsecured Note Documents or Unsecured Note Claims shall be, and shall be deemed to be, released, discharged and extinguished. The Trustee shall be discharged and released under the Indenture. If requested by the Company, the Trustee is authorized and directed to execute and deliver such documents reasonably requested by the Company to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharge described in this section.

2.2 Other Payments

On or after the Effective Date, and in accordance with the steps and sequence as set forth in Section 4.3:

(a) the Company will pay a total of $1,196,723 to Caravel CAD Fund Ltd., or one or more of its affiliates, as directed by Caravel CAD Fund Ltd., as consideration or compensation for management services rendered, legal expenses, and other administrative costs incurred since the engagement by Nabis of Caravel CAD Fund Ltd. or Caravel Capital Investments Inc. in October 2020 as provided pursuant to and in accordance with the provisions of the Caravel Stock Purchase Agreement; and

(b) the Company will pay up to $15,000 in respect of reimbursement for reasonable and documented fees for independent legal advice in respect of the Arrangement actually incurred by or for the account of Caravel.

ARTICLE 3
PAYMENTS

3.1 Purchase of Unsecured Notes

On the Effective Date, Nabis will purchase, and each of the Unsecured Note Holders will sell, all of the outstanding Unsecured Notes for a purchase price equal to $73.75 for each $100 principal amount of Unsecured Notes outstanding, which shall, and shall be deemed to, be received in full and final settlement of the Unsecured Notes, Unsecured Note Indebtedness and Unsecured Note Holder Claims. The transfer of Unsecured Notes pursuant to this Plan shall be free and clear of any lien or encumbrance, restriction, adverse claim or other claim of any third party of any kind.

3.2 Delivery of Payment to Unsecured Note Holders

The payment by the Company on the Effective Date of the purchase price for the Unsecured Notes, shall be effected through the delivery of the applicable portion of such amounts by the Company to the Trustee for distribution, (a) in the case of amounts payable to registered Unsecured Note Holders, to each of the registered Unsecured Note Holders pursuant to standing instructions and customary practices of the Trustee, and (b) in the case of amounts payable to beneficial Unsecured Note Holders, through the facilities of DTC or CDS to Intermediaries, who, in turn, will make delivery of such amounts to the ultimate beneficial recipients pursuant to standing instructions and customary practices of such Intermediaries, or, in each case, in such other manner as may be agreed by the Company and the recipient of such payments in writing.

3.3 No Liability in respect of Payment

(a) None of the Nabis Parties, nor their respective directors or officers, shall have any liability or obligation in respect of any payment, directly or indirectly, from: (i) the Trustee, or (ii) DTC or CDS, (iii) any Intermediaries; or (iv) any other duly appointed agent, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Company pursuant to this Plan.

(b) The Trustee shall not incur, and is hereby released and exculpated from, any liability as a result of carrying out any provisions of this Plan and any actions related or incidental hereto, save and except for any gross negligence or wilful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) on its part. For the avoidance of doubt, this exculpation shall be in addition to, and not in limitation of, all other releases, indemnities and exculpations, and any other applicable law or rules protecting the Trustee from liability. On the Effective Date after the completion of the transactions set forth in Section 4.3, all duties and responsibilities of the Trustee and arising under or related to the Indenture or any other Unsecured Note Document, as applicable, shall be discharged except to the extent required in order to effectuate this Plan.

3.4 Surrender and Cancellation of Unsecured Notes

On the Effective Date, each of the Unsecured Note Holders shall surrender, or cause the surrender of, any Definitive Note (as defined in the Indenture), or, if applicable, other certificate, representing the Unsecured Notes held or beneficially owned by the Unsecured Note Holders to the Trustee for cancellation in exchange for the consideration payable to Unsecured Note Holders under Section 2.2. To the extent Unsecured Notes are held by the Trustee as custodian for DTC or CDS (or their respective nominee) (as registered holder of Unsecured Notes on behalf of the Unsecured Note Holders), on the Effective Date, DTC or CDS, as applicable, shall surrender, or cause the surrender of, any Definitive Notes, or, if applicable, other certificate(s), representing the Unsecured Notes to the Trustee for cancellation in exchange for the consideration payable to Unsecured Note Holders pursuant to Section 2.1.

3.5 Application of Plan Distributions

To the extent applicable, all amounts paid or payable hereunder on account of the Unsecured Note Holder Claims shall be applied in a manner acceptable to the Company and the Initial Supporting Unsecured Note Holders.

3.6 Withholding Rights

The Company and, if applicable, any other Person making a payment contemplated under this Plan, shall be entitled to deduct and withhold from any consideration or other amount deliverable or otherwise payable to any Person hereunder such amounts as the Company, or such Person, is required to deduct or withhold with respect to such payment under any applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 4 IMPLEMENTATION

4.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Company will occur and be effective as of the Effective Date (or such other date as the Company and the Requisite Consenting Parties may agree, each acting reasonably), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes without any requirement of further action by Unsecured Note Holders, shareholders, directors or officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Company and from the Unsecured Note Holders.

4.2 Fractional Payment

All payments made pursuant to this Plan shall be made in minimum increments of $0.01, and the amount of any payments to which a Person may be entitled to under this Plan shall be rounded down to the nearest multiple of $0.01, without compensation therefor.

4.3 Effective Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order, in an uninterrupted sequence, in five minute increments (unless otherwise indicated) and at the times set out in this Section 4.3 (or in such other manner or order or at such other time or times as the Company and the Requisite Consenting Parties may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) The following shall occur concurrently (unless otherwise indicated):

(i) any and all accrued and unpaid interest owing to each Unsecured Note Holder**,** shall be forgiven, settled and extinguished for no consideration; and

(ii) the aggregate outstanding principal amount of each Unsecured Note Holder's Unsecured Notes will be acquired by the Company in consideration of the payment to such Unsecured Note Holder of an amount equal to $73.75 for each $100 principal amount of Unsecured Notes outstanding held by such Unsecured Note Holder, in full and final settlement of such Unsecured Notes, the Unsecured Note Indebtedness and the Unsecured Note Holder Claim of such Unsecured Note Holder, and the remaining amount of the aggregate outstanding principal amount of each Unsecured Note Holder's Unsecured Notes, shall be forgiven, settled and extinguished.

(b) Concurrently with the payment, forgiveness, settlement and extinguishment in accordance with Section 4.3(a):

(i) the Unsecured Note Indebtedness and Unsecured Note Holder Claims and the obligations of the Nabis Parties with respect to or in any way related to, the Unsecured Notes or Unsecured Note Claims shall, and shall be deemed to have been, settled, satisfied and discharged and irrevocably and finally terminated, extinguished and cancelled, the whole without the need for any further payment or otherwise, and each Unsecured Note Holder shall have no further right, title or interest in and to, or recourse against the Company or any other Nabis Party with respect to, the Unsecured Notes, the Unsecured Note Indebtedness or its Unsecured Note Holder Claim;

(ii) the Unsecured Notes and the other Unsecured Note Documents shall be cancelled and thereupon be null and void, provided that the Unsecured Note Documents shall remain in effect solely to allow the Company, as necessary, to make the payments set forth in this Plan;

(iii) the Trustee shall be discharged and released under the Indenture;

(iv) for greater certainty, any and all security interests granted by any of the Nabis Parties in respect of the Unsecured Notes, Unsecured Note Liabilities or Unsecured Note Claims shall be, and shall be deemed to be, released, discharged and extinguished; and

(v) if requested by the Company, the Trustee is authorized and directed to execute and deliver such documents reasonably requested by the Company to evidence the settlement, termination, extinguishment, cancellation and satisfaction and discharge described in this section.

(c) On or after the Effective Date the Company will pay a total of $1,196,723 to Caravel CAD Fund Ltd., or one or more of its affiliates, as directed by Caravel CAD Fund Ltd., as consideration or compensation for management services rendered, legal expenses, and other administrative costs incurred since the engagement by Nabis of Caravel CAD Fund Ltd. or Caravel Capital Investments Inc. in October 2020 pursuant to and in accordance with the provisions of the Caravel Stock Purchase Agreement.

(d) On or after the Effective Date, the Company will pay up to $15,000 in respect of reimbursement for reasonable and documented fees for independent legal advice in respect of the Arrangement actually incurred by or for the account of Caravel.

(e) On or after the Effective Date, the Company shall pay in full, the Trustee fees incurred by the Trustees, whether prior to or after the commencement of the BCBCA Proceedings (the "**Trustee Fees**") incurred through to the Effective Date, and thereafter the Company shall pay in full Trustee Fees incurred from and after the Effective Date in connection with the implementation of this Plan.

(f) On or after the Effective Date, the Company shall pay in full in cash the outstanding reasonable and documented fees and expenses of the Company Advisors pursuant to the terms and conditions of applicable fee arrangements entered into by the Company with such advisors.

4.4 Other Steps and Formality

a) The Company may, by way of supplement to this Plan and in accordance with section 7.5, (i) modify the order of certain steps and transactions set out in section 4.3 or (ii) undertake such other steps or transactions necessary or desirable in connection with this Plan, in either case, in such manner and on such date and time as determined by the Company and the Initial Supporting Unsecured Note Holders, acting reasonably.

b) All steps and transactions to be implemented pursuant to this Plan shall be effective without any requirement of further action, formality, consent or approval by or from any Person, including the Unsecured Note Holders, shareholders, directors or officers of any of the Company.

ARTICLE 5
CONDITIONS PRECEDENT AND IMPLEMENTATION

5.1 Conditions to Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 5.2) of the following conditions:

a) The Unsecured Note Holders' Arrangement Resolution shall have been approved at the Meeting in accordance with the provisions of the Interim Order;

b) The Court shall have granted the Final Order, the implementation, operation or effect of which shall not have been stayed, reversed, varied or amended in a manner not acceptable to the Company or the Requisite Consenting Parties, vacated or subject to a pending appeal, or in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;

c) No Law shall have been passed and become effective, the effect of which makes the consummation of this Plan illegal or otherwise prohibited;

d) There shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no bona fide and pending application shall have been made to any Governmental Entity, and no action or investigation shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Arrangement that restrains or impedes in any material respect or prohibits (or if granted would reasonably be expected to restrain or impede in any material respect or prohibit), the Arrangement or any material part thereof or requires a material variation from the form of the Arrangement contemplated herein;

e) All conditions to implementation of this Plan set out in the Support Agreement shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated and the Nabis Parties and Requisite Consenting Parties shall have delivered a Closing Certificate respecting same;

f) All required governmental, regulatory and judicial consents, and any other required third party consents shall have been obtained, except for such third party consents which if not obtained would not individually or in the aggregate have a material adverse effect on the Company; and

g) All conditions to implementation of this Plan, and to completion of the sale by the Company of shares of Verano Holdings Corp. held by the Company to Caravel CAD Fund Ltd set out in the Caravel Stock Purchase Agreement shall have been satisfied or waived in accordance with their terms and the Caravel Stock Purchase Agreement shall not have been terminated,

and the sale by the Company of such shares shall have been completed subject to and in accordance with the terms of such agreement.

5.2 Waiver of Conditions

The Company and the Requisite Consenting Parties, upon unanimous agreement, may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree, each acting reasonably, provided however that the conditions set out in Sections 5.1(a), (b), (c) and (d) cannot be waived.

5.3 Effectiveness

This Plan will become effective in the sequence described in Section 4.3 on the execution of the Closing Certificate, and shall be binding on and enure to the benefit of the Nabis Parties, the Unsecured Note Holders, the directors and officers of the Nabis Parties and all other Persons named or referred to in, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns. The Closing Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 4.3 has become effective in the sequence set forth therein. No portion of this Plan shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 6
GENERAL

6.1 Deemed Consents, Waivers and Agreements

At the Effective Time:

(a) each Unsecured Note Holder shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety;

(b) each Nabis Party and Unsecured Note Holder shall be deemed to have executed and delivered to the other parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and

(c) all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety shall be deemed to have been executed and delivered to the Nabis Parties.

6.2 Waiver of Defaults

From and after the Effective Time, all affected Persons shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. Without limiting the foregoing, all affected Persons shall be deemed to have:

a) waived any and all defaults or events of default or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with the Unsecured Notes, the Unsecured Note Documents, the Support Agreement, the Arrangement, this Plan, the transactions contemplated hereunder and any proceedings commenced with respect to or in connection with this Plan and any and all amendments or supplements thereto. Any and all notices

of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Nabis Parties and their respective successors from performing their obligations under this Plan; and

b) agreed that, if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and the Nabis Parties and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

6.3 Paramountcy

From and after the Effective Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, by-laws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Unsecured Note Holders, on the one hand, and any of the Nabis Parties, on the other hand, as at the Effective Date shall be deemed to be governed by the terms, conditions and provisions of this Plan and the Final Order, which shall take precedence and priority.

6.4 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

6.5 Modification of Plan

Subject to the terms and conditions of the Support Agreement:

a) the Company reserves the right to amend, restate, modify or supplement this Plan at any time and from time to time, provided that (except as provided in subsection (c) below) any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed with the Court and, if made following the Meetings, approved by the Court, (ii) agreed to by each of the Requisite Consenting Parties, and (iii) communicated to the Unsecured Note Holders in the manner required by the Court (if so required);

b) any amendment, modification or supplement to this Plan may be proposed by the Company, with the consent of each of the Requisite Consenting Parties, at any time prior to or at the Meeting, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Meeting, shall become part of this Plan for all purposes; and

c) any amendment, modification or supplement to this Plan may be made following the Meeting by the Company, with the consent of each of the Requisite Consenting Parties, and without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of the Unsecured Note Holders.

6.6 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail or email addressed to the respective parties as follows:

a) If to the Petitioner, or any other of the Nabis Parties, at:

Nabis Holdings Inc.

7-B Pleasant Blvd.Suite 978
Toronto, ON, M4T
1K2

Attention: Bruce Langstaff
Email: blangstaff@nabisholdings.com

b) If to Caravel CAD Fund Ltd.

Old Fort Bay Town Centre
Unit 7, Building 2
Nassau, New Providence
The Bahamas

Attention: Glen Gibbons, Director

With a copy to:

Bennett Jones LLP
First Canadian Place
100 King Street West
suite 3400
Toronto, Ontario
M5X 1A4

Attention: Kristopher Hanc
Email: hanck@bennettjones.com

or to such other address as any party above may from time to time notify the others in accordance with this Section 6.6. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email and any notice or other communication given or made by prepaid mail within the five Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. Any such notices and communications so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. The unintentional failure by the Petitioners to give a notice contemplated hereunder to any particular Unsecured Note Holder shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

6.7 Different Capacities

Subject to the Support Agreement and the Interim Order, if any Person holds more than one type, series or class of Unsecured Notes, as the case may be, such Person shall have all of the rights given to a holder of each particular type, series or class of Unsecured Notes so held. Subject to the Support Agreement and the Interim Order, nothing done by a Person acting in its capacity as a holder of a particular type, series or class of Unsecured Notes, as the case may be, affects such Person's rights as a holder of another type, series or class of Unsecured Notes.

6.8 Further Assurances

a) Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, affected by or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

b) Without limiting any other provision in this Plan, to the extent that there may be any security registrations or statements made or security interests or liens pursuant to or in connection with the Unsecured Notes or other Unsecured Note Documents, the Nabis Parties and the Trustee, and any of their respective agents, designees or assigns shall be authorized and directed to take such steps and prepare, execute and submit such forms and documents, and complete such filings as are necessary to effectuate or evidence or effectuate and evidence the full and final discharge and release of any and all such security registrations or statements and the full and final discharge and release of any and all security interests and liens upon any and all of the property and assets of the Nabis Parties created pursuant to or in connection with the Unsecured Notes or any other Unsecured Note Document in any jurisdiction in which the Nabis Parties have property or assets or conduct business, and each Unsecured Note Holder shall be deemed to have consented and agreed to all such steps and actions.

APPENDIX "A"
FORM OF CLOSING CERTIFICATE

RE: Support Agreement dated July 2, 2021 among the person executing the Support Agreement as the "Noteholder" and Nabis Holdings Inc. (the "Support Agreement")

Defined terms used but not defined in this certificate shall have the meanings ascribed thereto in the Support Agreement, or the Plan of Arrangement (as defined in the Support Agreement).

Each of the undersigned hereby confirms that the undersigned is satisfied that the conditions precedent to its respective obligations to complete the Arrangement have been satisfied and that the Arrangement is completed as of _____ (am/pm Vancouver time) (the "**Effective Time**") on _____ (the "**Effective Date**").

[signatures pages follow]

[Signatures to be added]

Appendix "A-1"

UNSECURED NOTE HOLDERS' ARRANGEMENT RESOLUTION

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT**:

1. the arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of Nabis Holdings Inc. (the "**Corporation**"), as more particularly described and set forth in the management information circular of the Corporation dated August__, 2021 (the "**Circular**") accompanying the notice of this meeting, be and is hereby authorized, approved and adopted;

2. the plan of arrangement of the Corporation (as the same may be, or may have been, amended, modified or supplemented (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "A-3" to the Circular, is hereby authorized, approved and adopted;

3. the Corporation be and is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the "**Court**") to approve the Arrangement on the terms set forth in the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular);

4. notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Court, the management of the Corporation, without further notice to, or approval of, the securityholders of the Corporation, is hereby authorized and empowered to (A) amend, modify or supplement the Arrangement, to the extent permitted by the Plan of Arrangement, the Support Agreements (as defined in the Circular), the Share Purchase Agreement (as defined in the Circular), and (B) subject to the terms of the Arrangement and the Support Agreements, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA;

5. any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation (whether under corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, articles of arrangement and any and all other documents, agreements and instruments and to perform, or cause to be performed by, such other acts and things, as in such person's opinion may be necessary or desirable to give full effect to these resolutions and the matters authorized hereby, including the transactions required and/or contemplated by the Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the doing of any such act or thing; and

6. all actions heretofore taken by or on behalf of the Corporation in connection

with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.