

**Vireo Health International, Inc.**

**(the “Corporation”)**

**Notice of Annual Meeting of Shareholders**

**to be held on July 15, 2020**

**and**

**Management Information Circular**

**Dated June 15, 2020**

**YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR PROXY.**



June 15, 2020

Dear Fellow Shareholders,

Fiscal year 2019 was an important year of growth investment at Vireo and a transformative one for the broader cannabis industry. We made substantial progress on many of our corporate initiatives during the year and solidified Vireo's reputation as an innovative leader in the science of cannabis with one of the most attractive portfolios of strategic, limited license assets in the United States.

We grew our business despite regulatory challenges and public health concerns related to dangerous illicit market vaporizers, and we were able to maintain the relative strength of our balance sheet despite facing one of the most difficult capital markets environments the industry has ever experienced. We became a stronger organization in nearly every aspect, especially in the areas of human capital, finance and IT, manufacturing, retail, marketing and product innovation, and we believe we're in an excellent position to drive much stronger operating and financial performance in fiscal year 2020.

### **Fiscal Year 2019 Highlights**

We began 2019 with the successful completion of our go-public reverse takeover transaction ("**RTO**") and simultaneously raised approximately \$50 million in March. These events enabled us to invest in our existing business and accelerate the growth trajectory of the company by completing several strategic mergers and acquisitions. They also allowed us to continue recruiting the talented human capital necessary to bring our vision for the future of cannabis closer to fruition.

We expanded our cultivation and processing operations significantly during the year, completing major expansion projects in Arizona, Minnesota, Ohio, and Pennsylvania. In total, we increased our square footage of operational cultivation and processing increased by approximately 180,000 square feet, or 120 percent as compared to the end of fiscal year 2018.

### **Responsible Operators Driving Profitable Growth**

We exited fiscal year 2019 with the strongest monthly revenue run rate in our corporate history - \$3.6 million in December - and we are continuing to experience increasing patient enrollments and revenue across each of our markets. Combined with recent operational improvements and annualized corporate overhead and SG&A cost reductions, we are confident we will be able to drive stronger results in 2020 and beyond.

We believe there are several embedded growth catalysts within our business today, including additional new product introductions and potential partnerships, dispensary openings, and the potential for several of our markets to transition from medical to recreational markets.

Over the course of the next six to 24 months, we believe Arizona, Minnesota, New Mexico, New York, Ohio, and Pennsylvania could all transition to recreational use markets, which would provide substantial revenue growth tailwinds. We also have 10 or more additional retail dispensary licenses in our core markets that will provide additional organic growth for the business and we expect to open additional dispensaries when opportunities emerge to increase scale and operating margins in the future.



## **Committed to Excellence in Science and Innovation**

As we continue instilling a culture of operational excellence across the organization, our focus on driving innovation through the science of cannabis will also remain a critical objective. We believe the most compelling long-term value in our industry will be secured with superior science and intellectual property, and our teams are uniquely positioned to capitalize on these opportunities. The science and intellectual property must be pursued in a cost-effective way that catalyzes improved performance for our vertically integrated cannabis businesses, which remain our primary revenue drivers.

We made good progress with new product introductions in 2019 and we filed for several new patents within our intellectual property portfolio. There are both short- and long-term revenue generating opportunities across this portfolio of projects, including cancer risk reduction additives for tobacco, multi-channel vaporizers, and novel flower packaging technologies. These assets are built with partnership in mind, inside the cannabis industry and beyond. It is important that intellectual property be practical and monetizable and these remain gating characteristics for our research and development team.

## **A Clear Path Forward in 2020**

Our management team entered fiscal year 2020 with a clear strategy that seeks to yield positive cash flow generation in 2021. This plan will be supported by the recent closing of a CAD \$10.5 million private placement that was completed in March 2020.

In the immediate future, we are focusing on driving stronger performance across our six core medical markets of Arizona, Maryland, Minnesota, New Mexico, New York, and Pennsylvania. With a stronger balance sheet and the optionality of our valuable collection of state-based cannabis licenses, we will continue to balance near-term capital requirements with the best long-term interests of shareholders.

I have never felt more confident in our team or our ability to capitalize on the opportunities in front of us, and we are looking forward to a successful year as we continue monetizing our portfolio of strategic assets across the United States.

Thank you for your continued support,

Kyle Kingsley, M.D.



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of the super voting shares, subordinate voting shares, and/or multiple voting shares without par value (“**Shares**”) of Vireo Health International, Inc. (the “**Corporation**”) will take place at 9:00 a.m. Central Daylight Time on Wednesday, July 15, 2020, for the following purposes:

1. To receive the consolidated financial statements for the Corporation’s financial year ended December 31, 2019 with the report of the auditor of the Corporation thereon (see p. 7 of the management information circular of the Corporation dated June 15, 2020 (the “**Circular**”));
2. To elect directors of the Corporation for the ensuing year (see p. 8 of the Circular);
3. To appoint an auditor of the Corporation for the ensuing year (see p. 13 of the Circular);
4. To consider, and if thought fit, approve the alteration of the articles of the Corporation to remove the FPI Restriction (as defined in the Circular) applicable to the conversion of multiple voting shares into subordinate voting shares (see p. 28 of the Circular); and
5. To consider, and if thought fit, approve an alteration of the articles of the Corporation to include the Advance Notice Provision (as defined in the Circular) (see p. 29 of the Circular).

Management is not currently aware of any other matters that could come before the Meeting. The Circular accompanies this Notice together with a form of proxy (“**Proxy**”) and a financial statements request form. The Circular contains details of matters to be considered at the Meeting. The Shareholders may be asked to consider any permitted amendment to, or variation of any matter identified in this Notice, and to transact such other business as may properly come before the Meeting or any adjournment thereof.

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/294343958>. Beneficial shareholders (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 be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

As a shareholder of the Corporation, it is very important that you read the Circular and other Meeting materials carefully. They contain important information with respect to voting your Shares and attending and participating at the Meeting.

If you are a Shareholder and wish to appoint a person other than the management nominees identified on the form of proxy or voting instruction form to represent you at the Meeting, you 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, a Shareholder **MUST** send an email to [vireo@odysseytrust.com](mailto:vireo@odysseytrust.com) and provide Odyssey Trust Company (“**Odyssey**”) with the proxyholder's contact information, number 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.

### **How to Vote and Voting at the Meeting**

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. 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?" below.

### **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 [vireo@odysseytrust.com](mailto:vireo@odysseytrust.com) by 10:00 a.m. ET on July 14, 2020 and provide Odyssey with the required proxyholder contact information, number of shares appointed, name in which the Shares are registered if you are a registered shareholder, or name of broker where the Shares are held if you are 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 MUST 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?" below.

### **Legal Proxy – U.S. 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 the completed and executed 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 [vireo@odysseytrust.com](mailto:vireo@odysseytrust.com) and received by 10:00 a.m. ET on July 14, 2020.

### **How do I attend and participate at the Meeting?**

The Company is holding the Meeting as a completely virtual meeting, which means the Meeting 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/294343958>. 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 "vireo2020" (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 cut-off.



- 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 "vireo2020" (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 be able to attend the meeting as a guest but not be able to 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".



---

**MANAGEMENT INFORMATION CIRCULAR**

**TABLE OF CONTENTS**

<b>General Proxy Information .....</b>	<b>1</b>
<b>Interest of Certain Persons or Companies in Matters to be Acted Upon.....</b>	<b>6</b>
<b>Voting Securities and Principal Holders of Voting Securities .....</b>	<b>7</b>
<b>Financial Statements.....</b>	<b>8</b>
<b>Votes Necessary to Pass Resolutions .....</b>	<b>8</b>
<b>Election of Directors.....</b>	<b>8</b>
<b>Appointment of Auditor.....</b>	<b>13</b>
<b>Corporate Governance.....</b>	<b>15</b>
<b>Executive Compensation.....</b>	<b>18</b>
<b>Securities Authorized for Issuance Under Equity Compensation Plans .....</b>	<b>26</b>
<b>Indebtedness of Directors and Executive Officers .....</b>	<b>26</b>
<b>Interest of Informed Persons in Material Transactions .....</b>	<b>26</b>
<b>Appointment of Auditors.....</b>	<b>28</b>
<b>Management Contracts.....</b>	<b>28</b>
<b>Particulars of Matters to be Acted Upon .....</b>	<b>28</b>
<b>Additional Information .....</b>	<b>33</b>
<b>Other Matters.....</b>	<b>33</b>
<b>Directors' Approval .....</b>	<b>33</b>





**VIREO HEALTH INTERNATIONAL, INC.**

**207 S. 9<sup>th</sup> Street**

**Minneapolis, MN, 55402, USA**

**Telephone: 612-314-8995**

**Email: [investor@vireohealth.com](mailto:investor@vireohealth.com)**

**MANAGEMENT INFORMATION CIRCULAR**

*with information current as of June 15, 2020, except as otherwise indicated*

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Vireo Health International, Inc. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of the holders (the “Shareholders”) of Shares to be held on July 15, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Circular, references to “we,” “us” and “our” refer to the Corporation. “Shares” means, collectively, super voting shares (the “**Super Voting Shares**”), multiple voting shares (the “**Multiple Voting Shares**”) and subordinate voting shares (the “**Subordinate Voting Shares**”) without par value in the capital of the Corporation. “**Registered Shareholders**” means Shareholders whose names have been entered in the register of Shareholders. “**Non-Registered Shareholders**” or “**Beneficial Shareholders**” means shareholders who do not hold Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders and Beneficial Shareholders. Unless otherwise specified, references to “C\$” are to Canadian dollars and references to “\$” are to US Dollars.

**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 has also retained Odyssey Trust Company (“**Odyssey Trust**”) to assist it in connection with Corporation’s communications with shareholders. In connection with these services, Odyssey Trust is expected to receive a fee, including costs, of \$6,000 - \$8,000, including out-of-pocket expenses. The Corporation will bear all costs of this solicitation. We have arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Corporation and legal counsel for 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 the person designated in the Proxy, who need not be a Shareholder, to attend and act for you on your behalf 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 [vireo@odysseytrust.com](mailto:vireo@odysseytrust.com) by 10:00 a.m. ET on July 14, 2020 and provide Odyssey with the required proxyholder contact information, number of shares appointed, name in which the Shares are registered if you are a registered shareholder, or name of broker where the Shares are held if you are 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 MUST 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?" below.

### **Voting by Proxyholder**

The person(s) named in the Proxy will vote or withhold from voting the 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 Shares will be voted accordingly. The Proxy confers discretionary authority on 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.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.**

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting online. Registered Shareholders may choose one of the following procedures to submit their Proxy:



- (a) Complete, date, and sign the Proxy and return it to the Corporation's transfer agent, Odyssey Trust by mail or hand delivery to Suite 702, 67 Yonge St, Toronto, ON M5E 1J8; or
- (b) Via the internet through the Odyssey Trust website at <http://odysseytrust.com/Transfer-Agent/Login>. Registered Shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays, and statutory holidays) before the Meeting, or any adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of Proxies may be waived by the Corporation's board of directors (the "**Board**") at its discretion without notice.

### **How do I attend and participate at the Meeting?**

The Company is holding the Meeting as a completely virtual meeting, which means the Meeting 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/294343958>. 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 "vireo2020" (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 cut-off.
- 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 "vireo2020" (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 be able to attend the meeting as a guest but not be able to 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".



## Beneficial Shareholders

The following information is important to Shareholders who do not hold Shares in their own name. Beneficial Shareholders (aka Non-Registered Shareholders) should note 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 Shares as of the Record Date) or as set out in the following disclosure. The “**Record Date**” for determination of the Shareholders entitled to receive notice of, and to vote at, the Meeting is May 22, 2020.

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the names of Intermediaries. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which Corporation acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depository for many United States brokerage firms and custodian banks).

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

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

The Corporation is taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) that permit it to directly deliver proxy-related materials to its NOBOs. The Corporation does not intend to pay for Intermediaries to forward proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our transfer agent, Odyssey Trust. These VIFs are to be completed and returned to Odyssey Trust in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Odyssey Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

These materials are being sent to both Registered Shareholders, Non-Registered Shareholders, and Beneficial Shareholders of the Shares of the Corporation. If you are a Beneficial Shareholder, and the Corporation or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf.

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



If you are a Beneficial Shareholder, you should carefully follow the instructions of your broker or other Intermediary in order to ensure that your Shares are voted at the Meeting.

The proxy form supplied to you by your broker or other Intermediary 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 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 VIF in lieu of the proxy provided by the Corporation. The VIF will name the same persons as are named on the Corporation’s form of Proxy to represent your 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 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 will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of 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 of the Meeting in order to have your Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Shares.**

All references to Shareholders in the Proxy are to Registered Shareholders unless specifically stated otherwise.

#### **Legal Proxy – U.S. 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 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 the completed and executed 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 [vireo@odysseytrust.com](mailto:vireo@odysseytrust.com) and received by 10:00 a.m. ET on July 14, 2020.

#### **Notice to Shareholders Residing in U.S.**

The Corporation anticipates that as of June 29, 2020, (being the last business day of its second fiscal quarter), the Corporation will cease to be a “foreign private issuer” as defined in Rule 3b-4 of the U.S. Exchange Act of 1934, as amended (the “**Exchange Act**”) and will cease to be eligible to use the rules and forms available to foreign private issuers as of January 1, 2021.

The solicitation of proxies is not subject to the requirements of Section 14(a) of the Exchange Act by virtue of an exemption applicable to proxy solicitations by issuers permitted to use the rules and forms available to foreign private issuers. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the Exchange Act.



This document does not address any income tax consequences of the disposition of Shares by Shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of Shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws and may not be comparable to similar information disclosed by United States companies.

If financial statements are included or incorporated by reference herein, they have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Financial statements prepared in accordance with IFRS differ from those prepared in accordance with generally accepted accounting principles (“US GAAP”) in the United States. As a result, the Corporation’s financial statements may not be comparable to financial statements prepared in accordance with US GAAP. The consequences of these potential differences for the Shareholders who are resident in, or citizens of, the United States may not be described fully in this Circular.

The enforcement by the Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country and that some of the Corporation’s officers and directors and the experts named herein are residents of a foreign country and that assets of the Corporation are located outside the United States.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) Executing a Proxy bearing a later date or by executing a valid notice of revocation, either of foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Odyssey Trust or to the Corporation’s office at 207 S. 9<sup>th</sup> Street, Minneapolis, MN 55402 USA, at any time up to and including the last business day that precedes the Meeting or any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other matter provided by law; or
- (b) Attending the Meeting online and voting the Registered Shareholder’s Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

A Non-Registered Shareholder who wishes to revoke his, her or its vote should carefully follow the instructions on how to do so provided by the applicable Intermediary, as instructions and timing may vary with each Intermediary.

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

Other than as disclosed in this Circular, to the knowledge of management of the Corporation, no informed person of the Corporation, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation’s financial year ended



December 31, 2019 and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Board has fixed May 22, 2020 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting online or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their respective Shares voted at the Meeting, except to the extent that:

- (a) The Shareholder has transferred the ownership of any such Shares after the Record Date; and
- (b) The transferee produces a properly endorsed Share certificate for or otherwise establishes ownership of any of the transferred Shares and makes a demand to Odyssey Trust no later than ten (10) days before the Meeting that the transferee's name is properly included in the list of Shareholders in respect thereof.

The Corporation is currently authorized to issue an unlimited number of Shares. The Shares consist of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Super Voting Shares. The Subordinate Voting Shares are without par value and carry the right to 1 vote each. The Subordinate Voting Shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "VREO" and, as of August 2, 2019, on the OTCQX Market (the "OTCQX") under the symbol "VREOF". The Multiple Voting Shares are without par value and carry the right to 100 votes each. The Super Voting Shares are without par value and carry the right to 1,000 votes each. Neither the Multiple Voting Shares nor the Super Voting Shares are listed for trading. As of May 22, 2020, the Corporation had 98,871,038 Shares outstanding on an as-converted, undiluted basis.

As of May 22, 2020, the Subordinate Voting Shares represent approximately 37.8%, the Multiple Voting Shares represent approximately 55.6% and the Super Voting Shares represent approximately 6.6% of the voting rights attached to outstanding securities of the Corporation.

The Subordinate Voting Shares and the Multiple Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. In the event that a take-over bid by a third party is made for the Multiple Voting Shares or Super Voting Shares, the holders of Subordinate Voting Shares are entitled to participate in such offer and may tender their shares into any such offer, under the terms of the Subordinate Voting Shares and/or a coattail agreement (the "Coattail Agreement") entered into between Kyle Kingsley and Odyssey Trust dated March 18, 2019, available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). In the event that a take-over bid is made for the Super Voting Shares by a third party, the holders of Multiple Voting Shares are entitled to participate in such offer and may tender their Shares into any such offer pursuant to the terms of the Coattail Agreement.

No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the directors and executive officers of the Corporation, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Shares of any class carrying more than ten percent (10%) of the voting rights attached to all outstanding Shares as of May 22, 2020:



Shareholder Name	Number of Shares and Class of Shares Held	Percentage of Class of Shares Held
Kyle Kingsley, CEO, Founder, and Chair of the Board	65,411 Super Voting Shares	100%

## FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2019, including the report of the auditor thereon, will be placed before the Meeting. Additional information may be obtained upon request from the Vice President – Investor Relations at 207 S. Ninth Street, Minneapolis, MN 55402 or by email at [samgibbons@vireohealth.com](mailto:samgibbons@vireohealth.com). Copies of these documents and additional information are also available on the Corporation’s website at <https://investors.vireohealth.com/governance/annual-meeting-materials/default.aspx> and under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

In order to become effective, the FPI Restriction Removal Resolution (as defined herein) must be approved, with or without variation, by: (i) a simple majority of the votes cast on the ordinary resolution by Shareholders pursuant section 7.4 of the Articles; (ii) 66⅔% of the votes cast on the special resolution by holders of Multiple Voting Shares present in person or by proxy at the Meeting voting as a class pursuant to section 7.5 of the Articles; and (iii) 66⅔% of the votes cast on the special resolution by holders of Multiple Voting Shares and Super Voting Shares present in person or by proxy at the Meeting voting together pursuant to Part 29, section 1(b) of the Articles.

In order to become effective, the Advance Notice Resolution (as defined herein) must be approved, with or without variation, by 66⅔% of the votes cast of the votes cast on the special resolution by Shareholders.

## ELECTION OF DIRECTORS

The size of the Board of the Corporation is currently set at six (6) directors. The term of office of each of the six (6) current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the British Columbia *Business Corporations Act* (the “BCA”), each director elected will hold office until the conclusion of the next annual general meeting of the Corporation or if no director is then elected, until a successor is elected. At the Meeting, it is proposed that six (6) directors be elected until the next annual meeting of the Shareholders or until their successors are elected or appointed.





The following disclosures sets out the names of management’s nominees for election as directors, all major offices, and positions with the Corporation and any of its affiliates each now holds, each nominee’s principal occupation, business or employment (for the last five years for each director nominee), the period of time during which each has been a director of the Corporation and the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction.

<b>Name of Nominee; Current Position with the Corporation and Province and Country of Residence</b>	<b>Period as a Director of the Corporation</b>	<b>Principal Occupation, Business or Employment<sup>1</sup></b>	<b>Shares and Percentage of Super Voting, Multiple Voting, and/or Subordinate Voting Shares (as applicable) Beneficially Owned or Controlled<sup>1</sup></b>
<b>Dr. Kyle Kingsley</b> Chief Executive Officer ("CEO"), Director, and Chair of the Board Minnesota, USA	Since March 18, 2019	Founder, CEO and Director of the Corporation (2014 – present)	65,411 Super Voting Shares (100%) <sup>2</sup>
<b>Amber Shimpa</b> Chief Administrative Officer and Director Minnesota, USA <sup>5</sup>	Since March 18, 2019	Chief Administrative Officer and Director of the Corporation (2014 – present)	8,521 Multiple Voting Shares (1.66%) and 25,530 Subordinate Voting Shares (0.1%) <sup>3</sup>
<b>Aaron Hoffnung</b> Chief Strategy Officer and Director New York, USA <sup>5</sup>	Since March 18, 2019	Chief Strategy Officer and Director of the Corporation (2015 – present); CEO of Fiorello Pharmaceuticals, Inc. (2014 – 2015)	23,529 Subordinate Voting Shares (0.1%) <sup>4</sup>
<b>Chelsea Grayson</b> Director California, USA <sup>5, 6, 7</sup>	Since March 18, 2019	Chief Executive Officer, Swift Brands (2020 – present), Chief Executive Officer & Board Member, True Religion Brand Jeans (2017-2019), Chief Executive Officer, American Apparel (2016 – 2017), General Counsel, Chief Administrative Officer & Executive Vice President, American Apparel (2014 – 2016)	Nil
<b>Judd Nordquist</b> Director Minnesota, USA <sup>6, 7</sup>	Since March 18, 2019	CPA and Partner, Abdo, Eick & Meyers, LLP (1994 – present)	845 Multiple Voting Shares (0.2%)  23,530 Subordinate Voting Shares (0.1%)
<b>Ross Hussey</b> Director Minnesota, USA	N/A	Attorney, Smith Jadin Johnson, PLLC (2019 – Present); Attorney,	16,802 Multiple Voting Shares (3.27%)



		Benson, Kerrane Storz & Nelson, PC (2015 – 2019)	
--	--	--	--

Notes:

1. The information as to principal occupation, business or employment and the Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective proposed nominees.
2. Dr. Kingsley also holds options to purchase an additional 5,100,821 Subordinate Voting Shares at \$0.33 each, expiring May 1, 2023.<sup>1</sup>
3. Ms. Shimpa also holds options to purchase an additional 1,050,168 Subordinate Voting Shares at \$0.19 each, expiring December 31, 2027, and options to purchase an additional 1,860,300 Subordinate Voting Shares at \$0.33, expiring April 30, 2028.
4. Mr. Hoffnung also holds options to purchase an additional 1,200,192 Subordinate Voting Shares at \$0.19 each, expiring December 31, 2027, and options to purchase 1,200,193 Subordinate Voting Shares at \$0.33 each, expiring April 30, 2028.
5. Member of the Nominating and Governance Committee.
6. Member of the Compensation Committee.
7. Member of the Audit Committee.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Corporation acting in solely such capacity.

**Biographies of Proposed Nominees**

*Dr. Kyle Kingsley* is a board-certified emergency medicine physician and founder of the Corporation. He serves as CEO and as a director of Vireo. Dr. Kingsley has expansive experience in starting medical cannabis companies in well-regulated, medically modelled states with narrow timelines for implementation. Dr. Kingsley has been involved with all aspects of medical cannabis implementation, from horticulture and manufacturing to finance and policy.

Dr. Kingsley is co-author of the book *Medical Cannabis Primer for Healthcare Providers*, written to elucidate objective medical cannabis knowledge in the medical community. Using comprehensive, state-wide programs that integrate healthcare providers, Dr. Kingsley’s solitary goal is to make the Corporation the safest, most reliable, and compassionate choice for the patients in all of the states where the Corporation operates.

Dr. Kingsley’s extensive experience with opioid pain medications in this setting was a major reason for his desire to build a physician-led, true-medical model cannabis company. Simultaneously with his emergency medicine staffing responsibilities, Dr. Kingsley founded and developed multiple companies including Clinical Scribes LLC, a medical scribe documentation training and implementation company. Clinical Scribes LLC and its offshoot Medical Scribe Training Systems focus on efficient training of medical professionals, specifically medical scribes. Expertise developed in this setting has led to direct benefits for Vireo which is building an industry-leading, medically-sound, employee education system. Dr. Kingsley is also the author of a wide array of scientifically robust medical scribe training textbooks “The Ultimate Medical Scribe Handbook” series which is used by companies across the country to train their medical scribes. Dr. Kingsley also founded MedMacros LLC, a medical documentation augmentation company that

<sup>1</sup> The options granted to Dr. Kingsley, Ms. Shimpa, and Mr. Hoffnung were granted by the Corporation in exchange for stock options originally granted by Vireo Health, Inc. (a predecessor to the Corporation) pursuant to a previous equity incentive plan.



provides physicians and other healthcare providers with online template to improve documentation speed and comprehensiveness. Dr. Kingsley also brings medical device start up expertise via Doctor Sly LLC, a company focused on development of intellectual property for simple cooling devices used to treat common medical conditions. Currently MigraineBox is a potential treatment for headaches by way of simple cooling of the head and neck. Dr. Kingsley obtained a patent for this method of cooling.

Dr. Kingsley received a Bachelor of Science degree in Biochemistry and a Bachelor of Arts degree in German from University of Minnesota in Duluth and received a Doctor of Medicine degree from the University of Minnesota, Twin Cities. During his time at the University of Minnesota, Duluth, Dr. Kingsley worked extensively in a biochemistry laboratory and developed expertise in HPLC and other laboratory techniques that are directly applicable to the medical cannabis industry.

**Amber Shimpa** serves as the Chief Administrative Officer for Vireo. From 2014 through 2019, Ms. Shimpa served as the Corporation's CFO. As Chief Administrative Officer, she leads Vireo's human resources and business administration teams and further drives the integration of people and culture for the Corporation. She works closely with Dr. Kingsley, in his role as CEO, to perpetuate Vireo's core values and culture as its workforce continues to rapidly expand. Ms. Shimpa spearheads Vireo's Corporate Social Responsibility initiatives and Diversity and Inclusion programs. Ms. Shimpa currently serves on the Corporation's Board and is a member of the Nominating and Governance Committee. Prior to joining Vireo, Ms. Shimpa spent nine years as Vice President of a \$1.6 billion bank focused on commercial, nationwide lending. Her experience in the highly regulated banking environment has engrained quality and control in her leadership and financial management approach. Banking is often seen as a challenge for operators within the cannabis industry. Ms. Shimpa's understanding of the strict compliance requirements in the banking industry, coupled with the Corporation's scientific and safe medical model, have led to welcoming discussions with banks, and ultimately the first known open banking relationship with a cannabis-related company in the country.

**Aaron ("Ari") Hoffnung** serves as the Chief Strategy Officer of the Corporation. Mr. Hoffnung was previously the founder and CEO of Fiorello Pharmaceuticals, Inc., a medical cannabis company. Prior to that, Mr. Hoffnung served as New York City's Deputy Comptroller for Budget & Public Affairs, where he oversaw the City's \$70 billion budget, managed a 100+ employee staff, and served as the chief liaison to all levels of governments and to various labor unions. Prior to serving in New York City government, he was a Managing Director at Bear Stearns, where he worked for more than a decade. Mr. Hoffnung also led a research team composed of economists and policy experts that published two-dozen white papers, including two ground-breaking and widely-cited reports on the public-health and economic impacts of reforming cannabis policies: 100,000 Reasons: Medical Marijuana In The Big Apple and Regulating and Taxing Marijuana: The Fiscal Impact on NYC. He holds a Master of Business Administration in Finance degree from New York University's Stern School of Business and a bachelor's degree from Queens College. Mr. Hoffnung currently serves on the Corporation's Board and is a member of the Nominating and Governance Committee.

**Chelsea Grayson** is the Chief Executive Officer of Swift Brands, a business platform that enables brands to streamline their go-to-market strategies and data science practices, an Executive-in-Residence at BounceX, a leading marketing technologies provider, a member of the UCLA Board of Visitors for the English Department and a Board Leadership Fellow and Corporate Governance Fellow with the National Association of Corporate Directors (NACD). She was previously CEO and a board member of True Religion, Inc. (formerly NASDAQ: TRLG), where she chaired the audit committee. Prior to taking the role with True Religion, she was CEO and a board member of American Apparel (formerly NYSE: APP). Before joining American Apparel, Ms. Grayson was a partner in the M&A practice group of Jones



Day. Ms. Grayson currently serves on the Corporation's Board, as Chair of the Nominating and Corporate Governance Committee and is a member of the Compensation and Audit Committees.

**Judd Nordquist** is a Certified Public Accountant with more than 25 years of experience. He sits on the firm Leadership Board and leads the manufacturing, distribution and agriculture segment of the firm where he is responsible for setting the strategic plan and delivering results. He specializes in providing services in the areas of: Merger and Acquisitions, accounting, auditing, tax-efficient planning, budgeting, planning and entrepreneurial consulting services through-out North America. Mr. Nordquist graduated from Minnesota State University, Mankato with a Bachelor of Science in Accounting and is a member of the American Institute of Certified Public Accountants, the Minnesota Society of Certified Public Accountants and DFK International.

**Ross Hussey** is an attorney with 14 years of experience who practices in multiple states and jurisdictions. He is a founding member of Vireo Health where he helped create and launch Minnesota Medical Solutions, LLC. Mr. Hussey previously served as General Counsel for Minnesota Medical Solutions before returning to private practice where he has focused primarily on complex litigation and representing private businesses. He also has prior government relations experience and was involved in the implementation of the medical cannabis program in Minnesota. Mr. Hussey holds a B.A. in political science from Gustavus Adolphus College and received a J.D. from William Mitchell College of Law.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees named herein as directors of the Corporation until the close of the next annual general meeting.**

#### **Penalties, Sanctions, Bankruptcies or Cease Trade Orders**

No proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. 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
- d. has, within the ten (10) years before the date of this information 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.



## APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants of 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6, will be nominated for appointment as auditor of the Corporation to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. Davidson & Company LLP was first appointed auditor of the Corporation on March 20, 2019. The appointment of auditor was approved by the Corporation’s audit committee.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Corporation until the close of the next annual general meeting.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH THE AUDITOR

The provisions of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

### Audit Committee’s Charter

The audit committee has a charter, which was adopted by the Corporation on April 9, 2019. Copies of these documents and additional information are available on the Corporation’s website at <https://investors.vireohealth.com/governance/annual-meeting-materials/default.aspx> and under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### Composition of Audit Committee

The current and proposed members of the audit committee of the Corporation are Chelsea Grayson and Judd Nordquist as contemplated by NI 52-110. Ms. Grayson and Mr. Nordquist are and will be independent members of the audit committee as contemplated by NI 52-110. All current audit committee members are considered to be financially literate.

All proposed audit committee members are considered to be financially literate.

An audit committee member is independent if the member has no direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that, within reason, could expect to be raised by the Corporation’s financial statements.

### Relevant Education and Experience

Each of the current and proposed members of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:



- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### **Current Members of the Audit Committee**

#### ***Judd Nordquist – Chair – Independent Director***

Mr. Nordquist is a Certified Public Accountant with more than 25 years of experience. He sits on the firm Leadership Board and leads the manufacturing, distribution and agriculture segment of the firm where he is responsible for setting the strategic plan and delivering results. He specializes in providing services in the areas of: Merger and Acquisitions, accounting, auditing, tax-efficient planning, budgeting, planning and entrepreneurial consulting services through-out North America. Mr. Nordquist graduated from Minnesota State University, Mankato with a Bachelor of Science in Accounting and is a member of the American Institute of Certified Public Accountants, the Minnesota Society of Certified Public Accountants and DFK International.

#### ***Chelsea Grayson – Independent Director***

Ms. Grayson is the Chief Executive Officer of Swift Brands, a business platform that enables brands to streamline their go-to-market strategies and data science practices, an Executive-in-Residence at BounceX, a leading marketing technologies provider, a member of the UCLA Board of Visitors for the English Department and a Board Leadership Fellow and Corporate Governance Fellow with the National Association of Corporate Directors (NACD). She was previously CEO and a board member of True Religion, Inc. (formerly NASDAQ: TRLG), where she chaired the audit committee. Prior to taking the role with True Religion, she was CEO and a board member of American Apparel (formerly NYSE: APP). Before joining American Apparel, Ms. Grayson was a partner in the M&A practice group of Jones Day. Ms. Grayson currently serves on the Corporation's Board, as Chair of the Nominating and Corporate Governance Committee and is a member of the Compensation and Audit Committees.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year were any audit committee recommendations to nominate or compensate an external auditor not adopted by the board of directors.

### **Reliance on Certain Exemptions**

At no time has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).



## Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

## External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Davidson & Company LLP, Chartered Professional Accountants to ensure auditor independence. Fees incurred with Davidson & Company LLP for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services	Fees Paid to Auditor (Davidson & Company LLP) in Year Ended December 31, 2019	Fees Paid to Auditor (Davidson & Company LLP) in Year Ended December 31, 2018
Audit Fees	\$248,141	\$110,000
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
<b>Total</b>	<b>\$248,141</b>	<b>\$110,000</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the consolidated financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

The Board facilitates its independent supervision over management by conducting quarterly reviews of the Corporation’s consolidated financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.



Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.

Currently, the independent directors of the Corporation are Ms. Grayson, and Mr. Nordquist and the non-independent directors are Dr. Kingsley, Ms. Shimpa, and Mr. Hoffnung.

### **Directorships**

Except as set out below, the current and proposed directors of the Corporation are not also presently serving on boards of other reporting companies (or equivalent).

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Corporation’s businesses and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. The Nomination and Governance Committee recommends directors for nomination to the Board.

### **Other Board Committees**

In addition to the Audit Committee, the Corporation also has a Nominating and Governance Committee and a Compensation Committee. The Nominating and Governance Committee assists the Board in fulfilling its oversight responsibilities relating to the corporate governance of the Corporation and the size, structure, and membership of the Board and its committees. The Compensation Committee assists the Board in fulfilling its oversight responsibilities relating to the recruitment, compensation, evaluation and retention of senior management and other key employees with the skills and expertise needed to enable the Corporation to achieve its goals and strategies at competitive compensation and with appropriate performance incentives.

### **Assessments**

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 its audit committee.





## STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer*, Form 51-102F6V (the “**F6V**”), as such form is defined in NI 51-102 and relates to the Corporation’s December 31, 2019 financial year end.

References in the F6V to “**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, all share compensation units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

All currency references in this F6V section are expressed in US Dollars unless otherwise specified.

### Named Executive Officer

In this section “Named Executive Officer” (“**NEO**”) means any individual who was:

- (a) each individual who, in respect of the Corporation, during any part of the Corporation’s fiscal year ended December 31, 2019, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the Corporation’s fiscal year ended December 31, 2019, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a chief executive officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the Corporation’s fiscal year ended December 31, 2019, whose total compensation was more than C\$150,000; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of the Corporation’s fiscal year ended December 31, 2019.

For purposes of this Statement of Executive Compensation, the following are the NEOs: Kyle Kingsley, CEO, director and Chair of the Board; Amber Shimpa, Chief Administrative Officer (since December 2019) and director, CFO (until December 2019); Shaun Nugent, CFO (since December 2019); Ari Hoffnung, Chief Strategy Officer and director, and former Chief Operating Officer; and Stephen Dahmer, Chief Medical Officer. The directors of the Corporation who were not also NEOs are: Chelsea Grayson and Judd Nordquist.



## Director and Executive Officer Compensation, Excluding Compensation Securities

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, Consulting Fee, Retainer, or Commission (\$)	Bonus (\$)	Committee or Meeting Fees <sup>1</sup> (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Kyle Kingsley CEO and Director	2019	\$360,000	Nil	Nil	Nil	Nil	\$360,000
	2018	\$198,462	Nil	Nil	Nil	Nil	\$198,462
Shaun Nugent CFO <sup>3</sup>	2019	\$17,740	Nil	Nil	Nil	Nil	\$17,740
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Amber Shimpa CAO and Director and Former CFO <sup>4</sup>	2019	\$260,000	Nil	Nil	Nil	Nil	\$260,000
	2018	\$210,000	Nil	Nil	Nil	Nil	\$210,000
Aaron Hoffnung Chief Strategy Officer and Director and Former Chief Operating Officer <sup>5</sup>	2019	\$300,000	Nil	Nil	Nil	Nil	\$300,000
	2018	\$311,348	Nil	Nil	Nil	Nil	\$311,348
Bruce Linton former Director and former Executive Chairman <sup>2</sup>	2019	\$37,671	Nil	Nil	Nil	Nil	\$37,671
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Judd Nordquist Director	2019	Nil	Nil	\$125,000	Nil	Nil	\$125,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Amy Langer former Director <sup>6</sup>	2019	Nil	Nil	\$125,000	Nil	\$0.00 <sup>7</sup>	\$125,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Chelsea Grayson Director	2019	Nil	Nil	\$125,000	Nil	Nil	\$125,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Executive officers that are also directors do not receive committee or meeting fees.
- (2) Mr. Linton was appointed as Executive Chairman and a director on November 7, 2019. His employment as Executive Chairman ended on June 8, 2020. He resigned as a director on June 11, 2020.
- (3) Mr. Nugent was appointed CFO on December 2, 2019.
- (4) Ms. Shimpa transitioned from her prior role as CFO and was appointed Chief Administrative Officer on December 2, 2019. Ms. Shimpa's compensation did not change in conjunction with this transition. She received \$239,342 for her service as CFO and \$20,658 for her service as Chief Administrative Officer for a 2019 total salary of \$260,000.
- (5) Mr. Hoffnung transitioned from his prior role as Chief Operating Officer to the new role of Chief Strategy Officer on October 14, 2019.
- (6) Ms. Langer resigned from the Board on March 13, 2020.
- (7) Ms. Langer is a co-founder and executive of Salo LLC ("Salo"). The Corporation paid Salo an aggregate amount of \$295,463 in 2019 for certain contract accounting services. Ms. Langer received immaterial indirect compensation from the Corporation resulting from her interest in Salo.



## Stock Options and Other Compensation Securities

The following table discloses the particulars of compensation securities granted to the NEOs and Directors in the financial year ended December 31, 2019.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities	Date of Issue or Grant	Issue, Conversion, or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant <sup>1</sup> (\$)	Closing Price of Security or Underlying Security at Year End <sup>1</sup> (\$)	Expiry Date
Kyle Kingsley CEO and Director <sup>2</sup>	N/A	N/A	N/A	Nil	Nil	Nil	N/A
Shaun Nugent CFO	Options	740,000	December 2, 2019	\$1.13	\$1.09	\$1.04	December 2, 2029
Amber Shimpa CAO and Director and Former CFO <sup>4</sup>	N/A	N/A	N/A	Nil	Nil	Nil	N/A
Aaron Hoffnung Chief Strategy Officer and Director <sup>5</sup>	N/A	N/A	N/A	Nil	Nil	Nil	N/A
Chelsea Grayson Director	N/A	N/A	N/A	Nil	Nil	Nil	N/A
Judd Nordquist Director	N/A	N/A	N/A	Nil	Nil	Nil	N/A

Bruce Linton former Director and former Executive Chairman <sup>3</sup>	Incentive Warrants	10,000,000	November 7, 2019	\$1.02	\$1.17	\$1.04	June 8, 2021 <sup>6</sup>
	Incentive Warrants	2,500,000	November 7, 2019	\$3.81	\$1.17	\$1.04	June 8, 2021 <sup>6</sup>
	Incentive Warrants	2,500,000	November 7, 2019	\$5.86	\$1.17	\$1.04	June 8, 2021 <sup>6</sup>
Amy Langer former Director	N/A	N/A	N/A	Nil	Nil	Nil	N/A

Notes:

- (1) Closing prices on the CSE for Subordinate Voting Shares have been converted to U.S. dollars at a rate of \$1.00 = C\$1.3268 for 2019.
- (2) Dr. Kingsley holds 65,411 Super Voting Shares and 5,100,821 options to purchase Subordinate Voting Shares.
- (3) The Incentive Warrants granted to Mr. Linton were originally scheduled to vest over two years, with 50% vesting on each of November 6, 2020 and November 6, 2021. However, upon his not-for-cause termination as Executive Chairman on June 8, 2020, all Incentive Warrants granted to Mr. Linton vested immediately.
- (4) Ms. Shimpa holds 23,530 Subordinate Voting Shares, 8,521 Multiple Voting Shares, and 2,910,468 options to purchase Subordinate Voting Shares.
- (5) Mr. Hoffnung holds 23,529 Subordinate Voting Shares and 2,400,385 options to purchase Subordinate Voting Shares.
- (6) The Incentive Warrants granted to Mr. Linton originally had an expiry date of November 6, 2024. However, upon his not-for-cause termination as Executive Chairman on June 8, 2020, the expiry date of all Incentive Warrants granted to Mr. Linton was accelerated to June 8, 2021.

### Exercise of Compensation Securities by NEOs and Directors

During the financial year ended December 31, 2019, no compensation securities were exercised by any NEO or director of the Corporation.

### Stock Options and Incentive Plans

The Corporation has an incentive option plan that allows for the grant and exercise of options to purchase Shares. The Corporation's 2019 Equity Incentive Plan was (the "Stock Option Plan") approved by shareholders at the Corporation's annual and special meeting held on April 9, 2019.

The following is a summary of the material provisions of the Stock Option Plan.



### *Purpose*

The purpose of the Stock Option Plan is to enable the Corporation and its affiliated companies to: (i) attract and retain the best available personnel for positions of substantial responsibility for the Corporation, (ii) to provide additional incentive to employees, directors, and consultants of the Corporation, and (iii) to promote the success of the Corporation's business. The 2019 Plan permits the grant of (i) nonstatutory stock options ("NSOs") and incentive stock options ("ISOs") (collectively, "Options"), (ii) restricted stock awards, (iii) restricted stock units ("RSUs"), and (iv) stock appreciation rights ("SARs"), and which are referred to herein collectively as "Awards," as more fully described below. All references to the "Code" in the following summary refer to the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations under the Code.

### *Eligibility*

Any employees, officers, directors, or consultants of the Corporation or its affiliated companies are eligible to participate in the Stock Option Plan if selected by the Compensation Committee as the administrator of the Stock Option Plan (the "Participants"). The basis of participation of an individual under the Stock Option Plan, and the type and amount of any Award that an individual will be entitled to receive under the Stock Option Plan, will be determined by the Compensation Committee or the Board based on its judgment as to the best interests of the Corporation and its shareholders, and therefore cannot be determined in advance. The maximum number of Subordinate Voting Shares that may be issued under the Stock Option Plan shall be 10% of the Shares outstanding (assuming the conversion of all Super Voting and Multiple Voting Shares into Subordinate Voting Shares). Any Subordinate Voting Shares subject to an Award under the Stock Option Plan that are forfeited, surrendered, cancelled, repurchased, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the Stock Option Plan. Notwithstanding the foregoing, the maximum number of Subordinate Voting Shares that may be issued pursuant to the exercise of ISOs is the aggregate Plan limit described above.

### *Options*

Options granted under the Stock Option Plan will be subject to the terms and conditions established by the Compensation Committee or the Board and set forth in the applicable award agreement.

The Compensation Committee or the Board is authorized to grant Options to purchase Subordinate Voting Shares<sup>2</sup> that are either ISOs, meaning they are intended to satisfy the requirements of Section 422 of the United States Internal Revenue Code ("Code"), or NSOs, meaning they are not intended to satisfy the requirements of Section 422 of the Code.

Under the terms of the Stock Option Plan, the exercise price of the Options will not be less than 100% of the "Fair Market Value" per Subordinate Voting Share on the date of grant. The "Fair Market Value" on any date means (i) the closing price of the Subordinate Voting Shares on an established stock exchange on such date, (ii) if the Subordinate Voting Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value will be the mean between the high bid and low asked prices for the Subordinate Voting Shares on the day of determination, or (iii) in the absence of an established market for the Subordinate Voting Shares, the Fair Market Value will be determined in good faith by the

---

<sup>2</sup> U.S. residents may be required to receive Multiple Voting Shares in a quantity equal to 1/100 of the Subordinate Voting Shares quantity, subject to the Corporation's reasonable discretion.



Compensation Committee or the Board. Notwithstanding the foregoing, in the case of (i) above, in the event that the Subordinate Voting Shares are listed on the CSE, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall not be lower than the greater of the closing market price of the Subordinate Voting Shares on the CSE on (A) the trading day prior to the date of grant of the Options, and (B) the date of grant of the Options. In addition, in the case of an incentive stock option (“ISO”), as defined in the Code, granted to an employee who owns stock representing more than 10% of the voting power of all classes of stock of the Corporation, the per Subordinate Voting Share exercise price will be no less than 110% of the Fair Market Value per Subordinate Voting Share on the date of grant. The maximum term of an option granted under the Stock Option Plan will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder).

Payment in respect of the exercise of an Option may be made in cash, cheque, promissory note (to the extent permitted by applicable law), other Subordinate Voting Shares, cashless exercise consideration, net exercise, or by such other method as the Compensation Committee or the Board may determine to be appropriate and permitted by applicable law, or any combination of the foregoing.

If a Participant ceases to be an employee, officer, director or consultant of the Corporation or an affiliated company, other than upon the Participant’s termination as the result of the Participant’s death or disability, the Participant may exercise his or her Option within 30 days of termination, or such longer period of time as is specified in the award agreement (but not later than the expiration of the term of such Option as set forth in the award agreement) to the extent that the Option is vested on the date of termination. If a Participant ceases to be an employee, officer, director or consultant of the Corporation or an affiliated company as a result of the Participant’s disability, the Participant may exercise his or her Option within 6 months of termination, or such longer period of time as is specified in the award agreement (but not later than the expiration of the term of such Option as set forth in the award agreement) to the extent the Option is vested on the date of termination. If a Participant dies while an employee, officer, director or consultant of the Corporation or an affiliated company, the Option may be exercised within 6 months following the Participant’s death, or within such longer period of time as is specified in the award agreement (but not later than the expiration of the term of such Option as set forth in the award agreement) to the extent that the Option is vested on the date of death, by the Participant’s designated beneficiary or personal representative or in accordance with the will or the laws of descent. In the case of any unvested Options, the Subordinate Voting Shares covered by the Option will revert to the Stock Option Plan. Notwithstanding the foregoing, at any time after the grant of an Option, the Compensation Committee or the Board, in its sole discretion, may reduce or waive the vesting criteria applicable to the Option.

#### *Restricted Stock*

A restricted stock award is a grant of Subordinate Voting Shares to a Participant, which Subordinate Voting Shares are subject to forfeiture restrictions during a restriction period. The restriction period may be based on the passage of time, the achievement of target levels of performance, or the occurrence of such other events as determined by the Compensation Committee, or the Board. Each Award of restricted stock will be evidenced by an award agreement that will specify the restriction period, the number of Subordinate Voting Shares granted, and such other terms and conditions as the Compensation Committee or the Board determines. The Compensation Committee or the Board can impose such restrictions on the restricted stock as it deems advisable. The Compensation Committee or the Board, in their discretion, may accelerate the time at which any restrictions will lapse or be removed. During the restriction period, Participants holding shares of restricted stock under the Stock Option Plan may not vote those Subordinate Voting Shares but will be entitled to receive all dividends and other distributions paid with respect to such Subordinate Voting



Shares (unless the Compensation Committee or the Board provide otherwise). As of the date of this Circular, no awards of restricted stock have been made under the Stock Option Plan.

#### *RSUs*

A restricted stock unit (“RSU”) is a bookkeeping entry representing an amount equal to the Fair Market Value of one Subordinate Voting Share. The Compensation Committee or the Board will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the Participant. The Compensation Committee or the Board may set vesting criteria based upon the achievement of company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Compensation Committee or the Board in its discretion. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Compensation Committee or the Board. Notwithstanding the foregoing, at any time after the grant of RSUs, the Compensation Committee or the Board, in their sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout. As of the date of this Circular, no awards of RSUs have been made under the Stock Option Plan.

#### *Stock Appreciation Rights*

A stock appreciation right (“SAR”) entitles the Participant to receive, upon exercise of the SAR, the increase in the Fair Market Value of a specified number of Subordinate Voting Shares from the date of the grant of the SAR and the date of exercise payable in Subordinate Voting Shares. Each SAR grant will be evidenced by an award agreement that will specify the exercise price, the term of the SAR, the conditions of exercise, and such other terms and conditions as the Compensation Committee, in its sole discretion, will determine; provided that the per share exercise price for the Subordinate Voting Shares that will determine the amount of the payment to be received upon exercise of a SAR will be no less than 100% of the Fair Market Value per Subordinate Voting Share on the date of grant. No SAR may be exercised more than ten years from the grant date. As of the date of this Circular, no awards of SARs been made under the Stock Option Plan.

#### *Administration*

The Compensation Committee or the Board may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Stock Option Plan shall be nontransferable except by will, by the laws of descent and distribution, by Rule 701 under the U.S. Securities Act of 1933, as amended, and by National Instrument 45-106 *Prospectus Exemptions*, to the extent applicable. No Participant shall have any rights as a shareholder with respect to Subordinate Voting Shares covered by Options, SARs, restricted stock awards, or RSUs, unless and until such Awards are settled in Subordinate Voting Shares.

No Option (or, if applicable, SARs) shall be exercisable, no Subordinate Voting Shares shall be issued, no certificates for Subordinate Voting Shares shall be delivered and no payment shall be made under the Stock Option Plan except in compliance with all applicable laws.

The Board may amend, alter, suspend or terminate the Stock Option Plan and the Compensation Committee or the Board may amend any outstanding Award at any time; provided that (i) such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Corporation’s shareholders if such approval is necessary to comply with any applicable laws, (ii) no such amendment, alteration, suspension or termination may impair the rights of a Participant without the Participant’s written



agreement, and (iii) such amendment, alteration, suspension, discontinuation, or termination is in compliance with CSE Policies.

In the event of any dividend, recapitalization, forward or reverse stock split, reorganization, merger, consolidation, split-up, split-off, combination, repurchase or exchange of Subordinate Voting Shares or other securities of the Corporation, or other change in the corporate structure of the Corporation affecting the Subordinate Voting Shares occurs, the Compensation Committee or the Board will make such adjustment, which is appropriate in order to prevent diminution or enlargement of the benefits or potential benefits to Participants under the Stock Option Plan, to the number and class of shares of stock that may be delivered under the Stock Option Plan and/or the number, class, and price of shares of stock covered by each outstanding Award.

In the event of a merger of the Corporation with or into another entity or a change in control, each outstanding Award will be treated as the Compensation Committee or the Board determine without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation with appropriate adjustments as to the number and kind of shares and prices; (B) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or change in control; (C) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or change in control, and, to the extent the Compensation Committee or the Board determine, terminate upon or immediately prior to the effectiveness of such merger or change in control; (D) (I) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Compensation Committee or the Board determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment), or (II) the replacement of such Award with other rights or property selected by the Compensation Committee or the Board in its sole discretion; or (E) any combination of the foregoing. In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and SARs, including Subordinate Voting Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on restricted stock and RSUs will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met.

The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee, officer or consultant of the Corporation or any affiliate company, nor will it affect in any way the right of the Corporation or an affiliate company to terminate a Participant's employment or engagement at any time, with or without cause, in accordance with applicable law.

## **Oversight and Description of Director and Executive Officer Compensation**

### *Compensation Review Process*

The Board determines the compensation of the Corporation's executive officers on an annual basis and has delegated oversight responsibility to its Compensation Committee comprised of Ms. Grayson and Mr. Nordquist. The Compensation Committee is to consider the terms of employment of the Corporation's executive officers and general compensation policies, as well as the policy for granting awards under the Stock Option Plan. In determining compensation, the Compensation Committee considers industry





standards and the Corporation's financial situation and monitors the performance of each executive officer, balancing the strengths of the individual and the purpose of their appointment as an officer.

#### *Elements of Executive Compensation Program*

The Corporation's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments (if applicable); and
- (c) equity participation through the Stock Option Plan.

#### *Base Salary or Consulting Fees*

Base salary ranges for executive officers were initially determined upon review of salaries paid by other companies that are comparable size to the Corporation.

In determining the base salary of an executive officer, the Compensation Committee and Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the same industry, which were similar in size and stage of development as the Corporation;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Corporation; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

#### *Bonus Payments*

The executive officers are eligible for annual discretionary bonuses, payable in cash. The amount paid, if any, is based on the Compensation Committee's and Board's assessment of the Corporation's performance for the year. Factors considered in determining bonus amounts also include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as significant acquisitions of licensed cannabis operations and the attainment of corporate milestones).

The Corporation did not award any bonuses to executive officers during its financial years ended December 31, 2019 or December 31, 2018, as disclosed in the compensation table.

#### *Equity Compensation*

The Corporation currently offers equity participation to executive officers and other employees of the Corporation through the Stock Option Plan.

#### *Director Compensation*

### **Compensation**

During 2019, the Corporation's independent directors were each paid fees of \$26,250 per quarter and an additional \$5,000 per quarter for a committee chair position and were authorized to receive Options valued



at \$26,250 per quarter and an additional \$5,000 per quarter for a committee chair position. During 2020, the Corporation’s independent directors will each receive Options valued at \$62,500 per quarter.

### Pension Disclosure

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under “*Stock Options and Other Compensation Securities*” under “*Statement of Executive Compensation*” above for disclosure on the Corporation’s equity compensation regime.

The following tables sets out equity compensation plan information as of the end of the financial years ending December 31, 2019 and 2018. As of May 22, 2020, there was 98,871,038 Shares outstanding on an as converted basis. Accordingly, there was an aggregate maximum of 8,117,812 Shares available for exercise of Options pursuant to the Stock Option Plan.

Plan	Number of securities to be issued upon exercise of outstanding options, warrants, and rights <sup>1</sup>	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by Shareholders			
2019 Vireo Health International, Inc. Equity Incentive Plan	1,769,291	\$1.13	8,117,812
Warrants	Subordinate Voting Shares: 16,630,309 Subordinate Voting Shares: 1,358,300 Subordinate Voting Shares: 13,651,574	\$2.34 \$1.95 \$0.71	Nil
Options under predecessor plan	20,959,286	\$0.29	Nil
Equity compensation plans not approved by shareholders			
N/A	N/A	N/A	Nil
Total	54,368,760	\$1.09	8,117,812

Notes:

- (1) Exercisable into Shares once vested.
- (2) Options issued by the Corporation in exchange for stock options originally granted by Vireo Health, Inc. (a predecessor to the Corporation) pursuant to a previous equity incentive plan.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the date of this Circular.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, “informed person” means:

- (a) a director or executive officer of the Corporation;

- (b) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Corporation;
- (c) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and
- (d) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the knowledge of the management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2019, or has any interest in any material transaction in the current year or as of the date hereof other than as set out below.

On March 9, 2020, Mr. Linton and the Corporation amended the terms of Mr. Linton's employment agreement (the "**Amended Employment Agreement**"). The Amended Employment Agreement provided that upon the occurrence of a "Triggering Transaction" (which included completion of an equity financing by the Corporation for gross proceeds of at least C\$8,000,000) on or before March 9, 2020 and Mr. Linton subscribing for at least C\$1,000,000 of equity securities in the Triggering Transaction: (a) the Corporation would extend to Mr. Linton a line of credit, in the form of a promissory note with a maximum principal amount equal to \$10,200,000, solely to exercise the 10,000,000 incentive warrants granted to Mr. Linton on November 7, 2019 with an exercise price of \$1.02; and (b) Mr. Linton would have the opportunity to receive service bonus payments from the Corporation equal to the amount of any draws under such line of credit, provided that the service bonus payment (i) is made one year after the date of the draw; and (ii) if the market capitalization of the Corporation reaches approximately C\$275 million.

On March 9, 2020, the Corporation closed the first tranche of a non-brokered private placement offering (the "**Offering**") of 13,651,574 units of the Corporation (the "**Units**") at a price per Unit of C\$0.77. Each Unit was comprised of one Subordinate Voting Share and one purchase warrant of the Corporation (a "**Warrant Share**"). Each Warrant entitles the holder to purchase one Subordinate Voting Share (a "**Warrant Share**") for a period of three years from the date of issuance at an exercise price of C\$0.96 per Warrant Share, subject to adjustment in certain events. Mr. Linton indirectly subscribed for 1,736,715 Units in the Offering.

Mr. Linton's participation in the Offering and entry into the Amended Employment Agreement with the Corporation each constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). As a consequence of Mr. Linton's participation in the Offering and entry into the Amended Employment Agreement, Mr. Linton beneficially owned or controlled, immediately following the closing of the Offering, 1,736,715 Subordinate Voting Shares, representing 4.6% of the issued and outstanding Shares of the Corporation on a non-diluted basis, 1,736,715 Warrants and 15,000,000 incentive warrants, that if exercised, would result in Mr. Linton beneficially owning or controlling approximately 16.0% of the then issued and outstanding Shares of the Corporation on a partially diluted basis assuming the conversion of the Corporation's multiple voting shares and super voting shares into Subordinate Voting Shares and assuming no additional issuance of securities or exercise of other options and warrants.



Pursuant to MI 61-101, a formal valuation and minority shareholder approval must be obtained for related party transactions unless, in each instance, an exemption from such requirement is available. The Corporation relied on the exemptions from the formal valuation requirement and the minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Mr. Linton's participation in the Offering and the Amended Employment Agreement as the fair market value of each transaction was below 25% of the Corporation's market capitalization as determined in accordance with MI 61-101.

The terms of the Offering and the Amended Employment Agreement were reviewed and unanimously approved by the disinterested members of the Corporation's board of directors (with conflicted director, Mr. Linton, having abstained from voting).

### **APPOINTMENT OF AUDITORS**

Davidson & Company LLP, Chartered Professional Accountants of 1200 – 609 Granville Street, located at 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6 was appointed as auditors of the Corporation on March 20, 2019.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or officers of the Corporation.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

1. To receive the consolidated financial statements for the Corporation's financial year ended December 31, 2019 with the report of the auditor of the Corporation thereon (see p. 7);
2. To elect directors of the Corporation for the ensuing year (see p. 8);
3. To appoint an auditor of the Corporation for the ensuing year (see p. 13);
4. To consider, and if thought fit, approve the alteration of the articles (the "**Articles**") of the Corporation to remove the FPI Restriction (as defined herein) applicable to the conversion of Multiple Voting Shares into Subordinate Voting Shares (see p. 28); and
5. To consider, and if thought fit, to approve an alteration to the Articles to include the Advance Notice Provision (as defined herein) (see p. 29).

### **Removal of the FPI Restriction**

The Multiple Voting Shares are subject to certain limitations that were intended to reduce the risk of loss of the Corporation's status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the United States *Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"). Accordingly, the Articles currently provide that the Corporation shall not effect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares to the extent that, after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b4 and 12g3-2(a) under the Exchange Act ("**U.S. Residents**")) would exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions, provided that



the Board is permitted to increase the threshold to up to fifty percent (50%) of the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions, which election the Board has previously made (the “**FPI Restriction**”).

The FPI Restriction was implemented at a time when it was critical to ensure that the Corporation’s resources were devoted to advancing the Corporation’s strategic plan and growing its business, and not to managing the increase in the Corporation’s administrative burden and regulatory costs that would have accompanied premature loss of foreign private issuer status.

The Corporation anticipates that as of June 29, 2020, (being the last business day of its second fiscal quarter), the Corporation will cease to qualify as a foreign private issuer for U.S. federal securities law purposes. Given the loss of the Corporation’s foreign private issuer status, there is no need to maintain the FPI Restriction. At the Meeting, it is proposed that the Corporation alter its Articles to remove the FPI Restriction, which alteration shall be effective on January 1, 2021.

At the Meeting, Shareholders will be asked to pass a resolution (the “**FPI Restriction Removal Resolution**”), the full text of which is set out in Schedule “A” to this Circular, approving the alterations to the articles of the Corporation’ in order to remove the FPI Restriction. This will enable Shareholders who are U.S. Residents to commence requesting conversions of Multiple Voting Shares into Subordinate Voting Shares on January 1, 2021.

**The Board unanimously recommends that the Shareholders vote FOR the FPI Restriction Removal Resolution. Unless otherwise directed, the persons named in the enclosed Proxy intend to vote for the FPI Restriction Removal Resolution. In order to become effective, the FPI Restriction Removal Resolution must be approved by: (i) a majority of votes cast on the ordinary resolution by Shareholders at the Meeting; (ii) 66⅔% of the votes cast on the special resolution by holders of Multiple Voting Shares at the Meeting; and (iii) 66⅔% of the votes cast on the special resolution by holders of Multiple Voting Shares and Super Voting Shares at the Meeting.**

### **Advance Notice Provision**

#### *Background and Purpose*

The following information is intended as a brief description of the advance notice requirements contained in the advance notice provision (the “**Advance Notice Provision**”). The disclosure below is qualified in its entirety by the full text of the Advance Notice Provision, the full text of which is attached as Schedule “C” to this Circular.

The purpose of the Advance Notice Provision is to provide shareholders, directors and management of the Corporation with a clear framework of the procedure for nominating directors for election at any annual general meeting or at any special meeting of shareholders at which the election of directors is one of the purposes for which the special meeting is called. It sets out advance notice requirements for the nomination of directors and provides for advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA; or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The amendment to the Corporation’s articles to include the Advance Notice Provision will effectively entrench terms of advance notice for nomination of directors within the Corporation’s charter, effectively safeguarding the Advance Notice Provision and all actions taken by the Corporation pursuant thereto.



Accordingly, at the Meeting the Corporation will seek approval of all Shareholders to Advance Notice Amendment by an ordinary resolution of all Shareholders at the Meeting (the “**Advance Notice Provision Resolution**”).

The Advance Notice Provision: (i) informs the Corporation of nominees for election at a Shareholder meeting proposed by a Shareholder sufficiently in advance of such meeting, and (ii) provides an opportunity for the Board to make an informed determination regarding the proposed nominees and, if appropriate, present alternatives to Shareholders.

The directors of the Corporation are proposing that the articles be amended to include the Advance Notice Provision, which will:

- (i) facilitate orderly and efficient annual general or, where the need arises, special meetings of Shareholders;
- (ii) ensure that all Shareholders receive adequate notice of nominations for director and sufficient information with respect to all director nominees; and
- (iii) allow Shareholders to register an informed vote.

The full text of the proposed Advance Notice Provision Resolution is set out in Schedule “B” to this Circular.

#### *Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to foster a variety of interests of all Shareholders and the Corporation by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision provides the framework by which the Corporation may fix a deadline by which Shareholders of record must submit any such director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

#### *Effect of the Advance Notice Provision*

1. Subject to the BCA and the Articles, the persons who are nominated in accordance with the following procedures shall be the only persons eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual general meeting of shareholders or at any special meeting of shareholders (but only if one of the purposes for which the special meeting was called was the election of directors):
  - (a) by or at the direction of the Board of the Corporation, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or

- (c) by any person (a “**Nominating Shareholder**”) who:
  - (i) at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more Common Shares carrying the right to vote at such meeting or who beneficially owns Common Shares that are entitled to be voted at such meeting; and
  - (ii) who complies with the notice procedures set forth below in the Advance Notice Provision.
- 2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give timely notice thereof in proper written form to the CEO, the CFO or the Corporate Secretary of the Corporation, (“**an officer of the Corporation**”) at the principal executive offices of the Corporation.
- 3. To be timely, a Nominating Shareholder’s notice to an officer of the Corporation must be made:
  - (a) in the case of an annual general meeting of shareholders (the “**AGM**”), not less than 30 nor more than 65 days before the date of the AGM; provided, however, that if the AGM is to be held on a date that is less than 40 days after the date on which the first Public Announcement of the date of the AGM was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and
  - (b) in the case of a special meeting (which is not also an AGM) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.
- 4. To be in proper written form, a Nominating Shareholder’s notice to the officer of the Corporation must set forth:
  - (a) if the Nominating Shareholder is not the beneficial owner of the Common Shares, the identity of the beneficial owner and the number of Common Shares held by that beneficial owner;
  - (b) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (i) the name, age, business address, and residential address of the person;
    - (ii) the current principal occupation, business or employment of the person, the name and principal business of any company in which such employment is carried on, and similar information as to all the principal occupations, businesses or employments within the five preceding years;
    - (iii) the class or series and number of shares in the capital of the Corporation which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such

date will then have been made publicly available and will have occurred) and as of the date of such notice;

- (iv) a statement as to whether such person would be “independent” of the Corporation (within the meaning of §§ 1.4 and 1.5 of NI 52-110, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and
  - (v) any other information relating to the person that would be required to be disclosed in a proxy circular or a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (including such person’s written consent to being named in the proxy circular as a nominee and to serving as a director if elected); and
- (c) as to the Nominating Shareholder giving the notice, any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws, and the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
5. To be eligible to be a candidate for election as a director of the Corporation and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provision and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to an officer of the Corporation at the principal executive offices of the Corporation, not less than 5 days prior to the date of the meeting, a written representation and agreement (in form provided by the Corporation) that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Corporation applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, an officer of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).
6. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairperson of the Meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
7. For purposes of the Advance Notice Provision:



- (a) **“Public Announcement”** will mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com); and
  - (b) **“Applicable Securities Laws”** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable province and territory of Canada.
8. Notwithstanding any other stipulation of the Advance Notice Provision, notice or any delivery given to an Officer of the Corporation pursuant to the Advance Notice Provision may only be given by personal delivery or by email transmission (at such contact information as set out on the Corporation’s issuer profile on SEDAR), and will be deemed to have been made and given only at the time it is served by personal delivery to the CFO at the principal executive offices of the Corporation or sent by email transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication will be deemed to have been made on the subsequent day that is a business day.

**The Board unanimously recommends that the Shareholders vote FOR the Advance Notice Provision Resolution. Unless otherwise directed, the persons named in the enclosed Proxy intend to vote for the Advance Notice Provision Resolution. In order to become effective, the Advance Notice Provision Resolution must be approved by 66⅔% of the votes cast on the special resolution by holders of Shares at the Meeting.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is included in the audited financial statements for the year ended on December 31, 2019. Copies of these documents and additional information are available on the Corporation’s website at <https://investors.vireohealth.com/governance/annual-meeting-materials/default.aspx> and under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing this Circular.

#### **DIRECTORS’ APPROVAL**

The contents of this Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, this 15 day of June, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**  
**“Kyle Kingsley”**  
**Dr. Kyle Kingsley**  
**Chief Executive Officer & Chairman of the Board**

**SCHEDULE “A”**  
to the Management Information Circular of  
**VIREO HEALTH INTERNATIONAL, INC.**  
(the “Corporation”)

**FULL TEXT OF THE FPI RESTRICTION REMOVAL RESOLUTION**

**Removal of the FPI Restriction**

**WHEREAS** the board of directors of the Corporation (the “**Board**”) has determined that it is in the Corporation’s best interest to alter the Corporation’s articles (the “**Articles**”) to amend the rights and restrictions of the multiple voting shares (the “**Multiple Voting Shares**”) without par value, as described in the Management Information Circular of the Corporation dated June 15, 2020 (the “**Circular**”);

**AND WHEREAS** such alterations to the Articles shall not take effect until: (a) the minutes of the meeting of shareholders passing these resolutions are signed and received for deposit at the Corporation’s records office, (b) the Notice of Alteration is electronically filed with the B.C. Registrar of Companies, and (c) the Notice of Articles is altered to reflect the alterations set out in these resolutions, which alteration shall take effect on January 1, 2021,

**“IT IS RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS THAT:**

1. The special rights and restrictions attached to the Multiple Voting Shares be altered by cancelling the existing foreign private issuer protection limitation pursuant to Part 29, Section (f)(iii), including any ancillary modifications which may be necessary to implement this alteration;
2. The Articles of the Corporation be altered by deleting in its entirety Part 29, Section (f)(iii) of the special rights and restrictions to the Multiple Voting Shares of the Corporation, including any ancillary modifications which may be necessary to implement this alteration;
3. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Board may revoke such resolution at any time before it is effected without further action by the shareholders;
4. McMillan LLP be appointed as the Corporation’s agent to electronically file the Notice of Alteration to the Articles with the Registrar of Companies; and
5. Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver, under corporate seal or otherwise, all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to give implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.”

[End of Schedule “A”]

**SCHEDULE “B”**  
to the Management Information Circular of  
**VIREO HEALTH INTERNATIONAL, INC.**  
(the “Corporation”)

**FULL TEXT OF ADVANCE NOTICE RESOLUTION**

**Addition of the Advance Notice Provision**

**WHEREAS** the board of directors of the Corporation (the “**Board**”) has determined that it is in the Corporation’s best interest to alter the Corporation’s articles (the “**Articles**”) to include the advance notice provision;

**AND WHEREAS** such alterations to the Articles and Notice of Articles of the Corporation shall not take effect until: (a) the minutes of the meeting of shareholders passing these resolutions are signed and received for deposit at the Corporation’s records office, (b) the Notice of Alteration is electronically filed with the B.C. Registrar of Companies, and (c) the Notice of Articles is altered to reflect the alterations set out in these resolutions.

**“IT IS RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS THAT:**

The Articles of the Corporation be altered as follows:

1. By adding to the end of Part 14 – *Election and Removal of Directors* of the Articles, a new section 14.13 – *Nomination of Directors*, (the “**Advance Notice Provision**”) as set out in Schedule “C” of the Management Information Circular of the Corporation dated June 15, 2020, and such Advance Notice Provision be and is hereby authorized and approved and the Articles, as altered by this resolution, shall be the full form of the Articles accordingly;
2. The Board may in its absolute discretion, without further shareholder approval, amend or modify the Advance Notice Provision to make amendments which are of a typographical, grammatical or clerical nature; or to make amendments necessary as a result of changes in laws applicable to the Corporation;
3. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Board may revoke such resolution at any time before it is effected without further action by the shareholders;
4. McMillan LLP be appointed as the Corporation’s agent to electronically file the Notice of Alteration to the Notice of Articles with the Registrar of Companies; and
5. Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver, under corporate seal or otherwise, all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to give implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.”

[End of Schedule “B”]

**SCHEDULE “C”**  
to the Management Information Circular of  
**VIREO HEALTH INTERNATIONAL, INC.**  
(the “Corporation”)

**FULL TEXT OF THE PROPOSED ADVANCE NOTICE PROVISION**

*“Nomination of Directors*

- (a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
- (i) by or at the direction of the Board, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (iii) by any person (a “**Nominating Shareholder**”):
    - (1) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.13 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
    - (2) who complies with the notice procedures set forth below in this Article 14.13.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.
- (c) To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the

announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

- (d) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:
  - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (1) the name, age, business address and residential address of the person;
    - (2) the principal occupation or employment of the person;
    - (3) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
    - (4) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
  - (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Article 14.13; provided, however, that nothing in this Article 14.13 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Article 14.13:
  - (i) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and

- (ii) **“Applicable Securities Laws”** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (g) Notwithstanding any other provision of this Article 14.13, notice given to the Secretary of the Corporation pursuant to this Article 14.13 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (h) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement described in this Article 14.13.”

[End of Schedule “C”]