

# **•Jushi**

**JUSHI HOLDINGS INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD ON  
JUNE 3, 2020  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**MAY 4, 2020**

## JUSHI HOLDINGS INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS (the “Notice”)

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders (the “**Meeting**”) of Jushi Holdings Inc. (the “**Corporation**”) will be held at 1800 N.W. Corporate Blvd., Suite 200, Boca Raton, FL, USA on Wednesday, June 3, 2020 at 10:30 a.m. (Eastern time) to:

- (a) receive the financial statements of the Corporation for the financial year ended December 31, 2019 together with the auditors’ report thereon;
- (b) fix the number of directors of the Corporation at six and elect the nominees proposed by management of the Corporation as directors of the Corporation for the forthcoming year;
- (c) re-appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation and authorize the board of directors of the Corporation (the “**Board**”) to fix the auditors’ remuneration and terms of engagement;
- (d) consider, and if deemed appropriate, approve an ordinary resolution approving amendments to the Corporation’s 2019 equity incentive plan providing for, *inter alia*, (i) the issuance of previously-intended favorable income tax treatment accorded to incentive stock options within the meaning of Section 422 of the U.S. Internal Revenue Code; and (ii) an additional 2% of the outstanding Subordinate Voting Shares to be issued under the plan as inducements to employees or officers not previously employed by and not previously an insider of the Corporation, as more particularly described in the accompanying management information circular of the Corporation (the “**Information Circular**”);
- (e) consider, and if deemed appropriate, approve a special resolution authorizing the adoption by the Corporation of a policy relating to the advance nomination of directors of the Corporation, as more particularly described in the accompanying Information Circular;
- (f) consider, and if deemed appropriate, approve a special resolution approving an amendment to the Corporation’s articles providing for a forum for adjudication of certain disputes, as more particularly described in the Circular; and
- (g) transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

This Notice is accompanied by the Information Circular and a form of proxy (the “**Proxy Instrument**”).

**While the Corporation intends to hold the Meeting in person as of the date of this Notice, the Corporation is continuously monitoring the ongoing and rapidly evolving COVID-19 pandemic. In light of the COVID-19 pandemic, the Corporation asks that, in considering whether to attend the meeting in person, shareholders consider the guidelines and instructions of the Centers for Disease Control and Prevention (CDC) ([www.cdc.gov](http://www.cdc.gov)) and the Public Health Agency of Canada (PHAC) ([www.canada.ca/en/public-health.html](http://www.canada.ca/en/public-health.html)), as well as any other applicable additional state, provincial and local guidelines and/or instructions. Access to the Meeting will, subject to the Corporation's by-laws, be either entirely restricted or limited to essential personnel and registered shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. Depending upon the status of the pandemic at the time, the Corporation encourages registered shareholders and duly appointed proxyholders not to attend the Meeting in person, particularly if they are experiencing any cold or flu-like symptoms. In order to minimize group sizes and respect social distancing regulations, the Corporation encourages shareholders to vote prior to the Meeting by following the instructions set out in the Proxy Instrument or voting instruction form received by such shareholders. If voting in advance by proxy is difficult, please call our transfer agent, Odyssey Trust Company (“Odyssey”) at the contact numbers provided on their website ([www.odysseytrust.com](http://www.odysseytrust.com)) or as disclosed herein.**

**The Corporation may take additional precautionary measures for the Meeting in response to further developments in respect of the COVID-19 pandemic. In the event it is not possible or advisable to hold the Meeting in person, the Corporation will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other**

**communication facilities. Please monitor the Corporation's press releases and our website at [www.jushico.com](http://www.jushico.com) for updated information up until the date of the Meeting.**

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is May 4, 2020 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

**A shareholder of the Corporation may attend the Meeting in person, subject to the foregoing considerations in respect of the COVID-19 pandemic, or may be represented by proxy. Registered shareholders of the Corporation who choose not to attend the Meeting or any adjournment(s) or postponement(s) thereof in person are requested to date, sign and return the accompanying Proxy Instrument for use at the Meeting or any adjournment(s) or postponement(s) thereof.**

To be effective, the enclosed Proxy Instrument must be returned to Odyssey, the Corporation's transfer agent, by: (i) mail using the enclosed return envelope; or (ii) hand delivery to Odyssey at Odyssey Trust Company, 323-409 Granville Street, Vancouver, BC, V6C 1T2. Alternatively, you may vote by Internet at <http://odysseytrust.com/Transfer-Agent/Login> and clicking "Vote". All instructions are listed on the enclosed Proxy Instrument. Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (Eastern time) on June 1, 2020 or, if the Meeting is adjourned, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) before the beginning of any adjournment or postponement of the Meeting.

**If you are a non-registered beneficial shareholder (i.e., a shareholder who beneficially owns shares that are registered in the name of an intermediary such as a broker, investment firm, clearing house or similar entity, or in the name of a depository of which the intermediary is a participant), a voting information form (also known as a "VIF"), instead of a Proxy Instrument, may be enclosed. The VIF must be returned to the intermediary well in advance of the Meeting, as intermediaries typically set deadlines for voting that are further in advance of the Meeting than those set out above. You must follow the instructions provided by your intermediary in order to vote your shares. You should contact your intermediary for further details.**

**DATED** at Boca Raton, Florida this 4th day of May, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF JUSHI HOLDINGS INC.

(signed) James A Cacioppo

James A. Cacioppo  
Founder, Chairman and Chief Executive Officer

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**JUSHI HOLDINGS INC.  
INFORMATION CIRCULAR**

This information circular (the “**Information Circular**”) is dated May 4, 2020 and is furnished in connection with the solicitation of proxies by and on behalf of management of the Corporation (“**Management**”) for use at the annual and special meeting (the “**Meeting**”) of shareholders of the Corporation (the “**Shareholders**”) to be held at 1800 N.W. Corporate Blvd., Suite 200, Boca Raton, FL, USA on Wednesday, June 3, 2020 at 10:30 a.m. (Eastern time) for the purposes set out in the notice of Meeting (the “**Notice**”) accompanying this Information Circular.

In this Information Circular, references to the “**Corporation**”, “**Jushi**” and “**our**” refer to Jushi Holdings Inc. and references to the “**Board**” means the board of directors of Jushi Holdings Inc. “**Beneficial Shareholders**” means Shareholders who do not hold shares of the Corporation in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. All dollar amounts herein are expressed in United States dollars unless otherwise indicated. Unless otherwise stated, all information in this Information Circular is current as of May 1, 2020.

**VOTING INFORMATION**

***Solicitation of Proxies***

**The solicitation of proxies is being made by or on behalf of Management.** It is expected that the solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone or other form of correspondence. The Corporation may cause a soliciting dealer group to be formed for the purposes of soliciting proxies for the Meeting, for which the Corporation would pay customary fees. The cost of solicitation of proxies will be borne by the Corporation.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will distribute copies of proxy-related materials in connection with this Meeting to intermediaries for onward distribution to Beneficial Shareholders. Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Beneficial Shareholders unless such Beneficial Shareholder has waived the right to receive them. The Corporation is not paying for intermediaries to deliver copies of the proxy-related materials and related documents to OBOs (as defined below). Accordingly, OBOs will not receive copies of the proxy-related materials and related documents unless the OBO or its intermediary assumes the cost of delivery.

***Voting in Person***

If a Shareholder attends the Meeting and is a registered Shareholder, the Shareholder may cast his, her or its vote(s) for each of his, her or its registered Voting Shares (as defined below) on any and all resolutions placed before the Meeting. If a Shareholder does not wish to vote for any matter proposed at the Meeting, the Shareholder may withhold his, her or its vote from, or vote his, her or its Voting Shares against, as applicable, any resolution at the Meeting, depending on the specific resolution. If a Shareholder attends the Meeting in person and is a Beneficial Shareholder, that Shareholder will not be entitled to vote at the Meeting unless he, she or it contacts his, her or its intermediary well in advance of the Meeting and carefully follows its instructions and procedures.

### *Appointment of Proxy*

The persons named in the enclosed form of proxy (the “**Proxy Instrument**”) are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSON[S] DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy Instrument and by inserting the name of the person or company to be appointed in the space provided in the Proxy Instrument or by completing another proper form of proxy.

### Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered Shareholder may submit a proxy by delivering the completed proxy to Odyssey Trust Company by: (i) mail using the enclosed return envelope; or (ii) hand delivery to Odyssey Trust Company at 323-409 Granville Street, Vancouver, BC, V6C 1T2, or by Internet at <http://odysseytrust.com/Transfer-Agent/Login> and clicking “Vote”. All instructions are listed on the enclosed Proxy Instrument.

Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (Eastern time) on June 1, 2020 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment or postponement of the Meeting.

### Beneficial Shareholders

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

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

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

Pursuant to NI 54-101, the Corporation will distribute copies of proxy-related materials in connection with this Meeting to intermediaries for onward distribution to Beneficial Shareholders. Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Beneficial Shareholders unless such shareholder has waived the right to receive them.

The Company is not paying for intermediaries to deliver copies of the proxy-related materials and related documents to OBOs. Accordingly, OBOs will not receive copies of the proxy-related materials and related documents unless the OBO or their intermediary assumes the cost of delivery.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their Voting Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy Instrument provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Voting Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to

Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (a “**VIF**”) in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy Instrument to represent your Voting Shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than any of the persons designated in the VIF, to represent your Voting Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Voting Shares to be represented at the Meeting, and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, you must complete and return your VIF to Broadridge in accordance with its instructions and well in advance of the Meeting in order to have your Voting Shares voted at the Meeting.**

#### Notice to Shareholders in the United States

The solicitation of proxies involves securities of a foreign private issuer (as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) located in Canada and is being effected in accordance with the corporate law of the Province of British Columbia and applicable securities laws of the provinces and territories of Canada. The proxy solicitation rules under the Exchange Act are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of applicable securities laws of the provinces and territories of Canada. Shareholders should be aware that disclosure requirements under applicable securities laws of the provinces and territories of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely because the Corporation is a corporation existing under the laws of the Province of British Columbia. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to the jurisdiction of, or judgment by, a United States court.

#### ***Revocation of Proxy***

A registered Shareholder who has given a proxy pursuant to this solicitation may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the proxy is to be used:

- (a) by an instrument in writing executed by the Shareholder or by this, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Odyssey Trust Company, 323-409 Granville Street, Vancouver, BC, V6C 1T2;
- (b) by delivering written notice of such revocation to the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or
- (c) in any other manner permitted by law.

Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their intermediaries to change the vote and, if necessary, revoke their proxy.

#### ***Voting of Proxies and Discretion Thereof***

Voting Securities represented by properly executed proxies in favor of persons designated in the printed portion of the enclosed Proxy Instrument **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE FIXING OF THE NUMBER OF DIRECTORS AT SIX AND ELECTION OF DIRECTORS, FOR THE RE-APPOINTMENT OF MNP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS THE AUDITORS OF THE CORPORATION AND AUTHORIZATION OF THE BOARD OF DIRECTORS TO FIX**

**AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT, FOR THE APPROVAL OF THE AMENDED 2019 EQUITY INCENTIVE PLAN, FOR THE APPROVAL OF THE ADVANCE NOTICE POLICY, AND FOR THE APPROVAL OF THE AMENDMENT TO THE ARTICLES.** The Voting Shares represented by the Proxy Instrument will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Voting Shares will be voted accordingly. The enclosed Proxy Instrument confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, Management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy Instrument to vote such proxy according to their best judgment.

***Voting Shares and Principal Holders Thereof***

The voting shares of the Corporation consist of an unlimited number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares (together, "**Voting Shares**"). As of the May 1, 2020, the Corporation had issued and outstanding 87,741,848<sup>1</sup> Subordinate Voting Shares, 4,000,000 Multiple Voting Shares convertible into 4,000,000 Subordinate Voting Shares, and 149,000 Super Voting Shares convertible into 14,900,000 Subordinate Voting Shares. All capitalized terms in this section of the Information Circular that are not otherwise defined herein have the meanings ascribed thereto in the Corporation's notice of articles.

The following provides a summary of the rights, privileges and restrictions attaching to each class of Voting Shares and is qualified in its entirety by reference to the terms of the Corporation's notice of articles.

Subordinate Voting Shares

Right to Notice and Vote	Holders of Subordinate Voting Shares will be entitled to notice of and to attend at any meeting of the Shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.
Class Rights	As long as any Subordinate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation.
Dividends	Holders of Subordinate Voting Shares will be entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. No dividend will be declared or paid on the Subordinate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Super Voting Shares.
Participation	In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority

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<sup>1</sup> Includes invested restricted Subordinate Voting Shares.



to the Subordinate Voting Shares, be entitled to participate ratably along with all other holders of Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

Changes

No subdivision or consolidation of the Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Conversion

In the event that (1) an offer is made to purchase Multiple Voting Shares or Super Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange, if any, on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Multiple Voting Shares or Super Voting Shares, as applicable, in a province or territory of Canada to which the requirement applies, and (2) a concurrent equivalent offer is not made in respect of the Subordinate Voting Shares, then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares or Super Voting Shares, as applicable, at the inverse of the Conversion Ratio (as defined in the articles, as applicable) then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares or Super Voting Shares, as applicable, under the offer, and for no other reason, and shall not provide holders of Subordinate Voting Shares any beneficial ownership of Multiple Voting Shares or Super Voting Shares, as applicable, but only in the consideration under the offer. In such event, the transfer agent for the Subordinate Voting Shares shall deposit under the offer the resulting Multiple Voting Shares or Super Voting Shares, as applicable, on behalf of the holder. If Multiple Voting Shares or Super Voting Shares, as applicable, resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares or Super Voting Shares, as applicable, being taken up and paid for, the Multiple Voting Shares or Super Voting Shares, as applicable, resulting from the conversion will be automatically re-converted into Subordinate Voting Shares at the Conversion Ratio then in effect, shall be deemed to have never been outstanding, and a share certificate representing the Subordinate Voting Shares or electronic evidence of such Subordinate Voting Shares issued in a non-certificate manner will be sent to the holder by the transfer agent. In the event that the offeror takes up and pays for the Multiple Voting Shares or Super Voting Shares, as applicable, resulting from conversion, the transfer agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

Odd Lots

In the event that holders of Subordinate Voting Shares are entitled to convert their Subordinate Voting Shares into Super Voting Shares in connection with an offer, holders of an aggregate of Subordinate Voting Shares of less than 100 (an "Odd Lot"), subject to any adjustments to the initial Conversion Ratio pursuant to the adjustment provisions of the Subordinate Voting Shares or the Super Voting Shares, as applicable, designed to preserve their relative rights, will be entitled to convert all but not less than all of such Odd Lot of

Subordinate Voting Shares into a fraction of one Super Voting Share, at the inverse of the Conversion Ratio then in effect, provided that such conversion into a fractional Super Voting Share will be solely for the purpose of tendering the fractional Super Voting Share to the offer in question and that any fraction of a Super Voting Share that is tendered to the offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Subordinate Voting Shares that existed prior to such conversion.

## Multiple Voting Shares

Right to Notice and Vote	Holders of Multiple Voting Shares will be entitled to notice of and to attend at any meeting of the Shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to ten (10) votes in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted (currently ten (10) votes per Multiple Voting Share held).
Class Rights	As long as any Multiple Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. In connection with the exercise of such voting rights, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.
Dividends	The holders of Multiple Voting Shares shall have the right to receive dividends, out of any cash or other assets legally available therefor, <i>pari passu</i> (on an as-converted basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Super Voting Shares.
Participation	In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate rateably, on an as-converted to Subordinate Voting Share basis, along with all other holders of Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).
Changes	No subdivision or consolidation of the Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Conversion	The Multiple Voting Shares each have a restricted right to convert into one (1) Subordinate Voting Share (the "Conversion Ratio"), subject to

adjustments for certain customary corporate changes. The ability to convert the Multiple Voting Shares is subject to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels. In addition, the Multiple Voting Shares will be automatically converted into Subordinate Voting Shares in certain circumstances, including upon the registration of the Subordinate Voting Shares under the United States Securities Act of 1933, as amended.

### Super Voting Shares

Right to Notice and Vote	Holders of Super Voting Shares will be entitled to notice of and to attend at any meeting of the Shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company will have the right to vote. At each such meeting, holders of Super Voting Shares will be entitled to 10 votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted (currently 1,000 votes per Super Voting Share held).
Class Rights	As long as any Super Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Additionally, consent of the holders of a majority of the outstanding Super Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Super Voting Shares will have one vote in respect of each Super Voting Share held. The holders of Super Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, bonds, debentures or other securities of the Company not convertible into Super Voting Shares.
Dividends	The holders of Super Voting Shares shall have the right to receive dividends, out of any cash or other assets legally available therefor, <i>pari passu</i> (on an as-converted basis, assuming conversion of all Super Voting Shares into Subordinate Voting Shares at the applicable Conversion Ratio) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares.
Participation	In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Super Voting Shares shall be entitled to participate rateably, on an as-converted to Subordinate Voting Share basis, along with all other holders of Subordinate Voting Shares and Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis).
Changes	No subdivision or consolidation of the Subordinate Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

## Conversion

The Super Voting Shares each have a restricted right to convert into 100 Subordinate Voting Shares (the “Conversion Ratio”), subject to adjustments for certain customary corporate changes. The ability to convert the Super Voting Shares is subject to a restriction that the aggregate number of Subordinate Voting Shares and Super Voting Shares held of record, directly or indirectly, by residents of the U.S. (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended, may not exceed forty five percent (45%) of the aggregate number of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares issued and outstanding after giving effect to such conversions and to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels. In addition, each Super Voting Share shall automatically be converted in certain circumstances.

The close of business on May 4, 2020 has been fixed as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) or postponement(s) thereof. Accordingly, only Shareholders of record (i.e., registered Shareholders) on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

The holders of Subordinate Voting Shares, holders of Super Voting Shares and holders of Multiple Voting Shares are shown as registered in his, her or its name on the list of Shareholders which is available for inspection during usual business hours at Odyssey Trust Company, 323-409 Granville Street, Vancouver BC, V6C 1T2, and at the Meeting. The list of Shareholders will be prepared not later than ten days after the Record Date.

## ***Principal Shareholders***

If a person has acquired ownership of Voting Shares since the Record Date, he, she or it may establish such ownership and demand, not later than ten days before the Meeting, that his, her or its name be included in the list of registered Shareholders.

Except as set out below, to the knowledge of the directors and officers of the Corporation, as of the Record Date, no person beneficially owns or exercises control over, directly or indirectly, more than 10% of the outstanding Voting Shares of the Corporation:

<b>Name, Jurisdiction of Residence</b>	<b>Number of Shares</b>	<b>Class of Shares</b>	<b>Ownership</b>	<b>Number and Percentage of Class</b>	<b>Voting Percentage (Based on all Shares Outstanding)<sup>(1)</sup></b>
James Cacioppo Florida, United States	114,000	Super Voting Shares	Direct/ Beneficial	76.5%	41.2%
James Cacioppo Florida, United States	1,656,092	Subordinate Voting Shares	Direct and Indirect/ Beneficial <sup>(2)</sup>	1.9%	0.6%
Denis Arsenaault Portugal	4,000,000	Multiple Voting Shares	Direct/ Beneficial	100%	14.5%
Denis Arsenaault Portugal	3,329,162	Subordinate Voting Shares	Direct/ Beneficial	3.8%	1.2%

### **Notes:**

(1) Excludes outstanding warrants and options, includes unvested restricted Subordinate Voting Shares.

(2) Indirect ownership includes ownership by One East Partners, L.P., One East Capital Advisors, OEP Opportunities, L.P. and ST2 LLC.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

To the knowledge of the directors and executive officers of the Corporation, no director or executive officer of the Corporation, any proposed nominee for election as director of the Corporation, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. *Receipt of Financial Statements*

At the Meeting, Shareholders will receive the audited financial statements of the Corporation for the year ended December 31, 2019 and the auditor's report on such statements. On March 18, 2020 the Canadian Securities Administrators (CSA) announced that they will provide issuers with a 45-day filing extension for filings required on or before June 1, 2020. The CSA's extension was in response to COVID-19 and will provide issuers additional time to focus on the many other business and financial reporting implications of COVID-19. The Corporation has relied on this exemption with respect to its audited financial statement in accordance with BC Instrument 51-515, Temporary Exemption from Certain Corporate Finance Requirements. Therefore, it is expected that the Corporation's audited financial statements will be filed on May 7, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2. *Number of Directors and Election of Directors*

The articles of the Corporation require a minimum of three directors of the Corporation. There are currently six directors of the Corporation. At the Meeting, it is proposed to fix the number of directors of the Corporation at six and that six directors are to be elected at the Meeting. The present term of office of each current director of the Corporation will expire at the Meeting.

Management proposes to nominate at the Meeting the persons whose names are set forth in the table below, each to serve as a director of the Corporation until the next meeting of Shareholders at which the election of directors is considered, or until his/her successor is duly elected or appointed, unless he/she resigns, is removed or becomes disqualified in accordance with the articles of the Corporation or the *Business Corporations Act* (British Columbia) (the "Act"). The persons named in the accompanying Proxy Instrument intend to vote for the election of such persons at the Meeting, unless otherwise directed. Management does not contemplate that any of the nominees will be unable to serve as a director of the Corporation.

The following table and the notes thereto set out the name of each person proposed by Management to be nominated for election as a director of the Corporation at the Meeting, his/her age, the period during which he/she has been a director of the Corporation, his/her principal occupation within the five preceding years, all offices of the Corporation now held by such person, and his/her shareholdings, which includes the number of Voting Shares of the Corporation beneficially owned, or over which control or direction is exercised, directly or indirectly.

Name and State and Country of Residence	Age	Position(s) within Jushi	Jushi Officer Since	Principal Occupation(s)	Number of Securities of Jushi Directly or Indirectly Held <sup>(1)</sup>	Attendance at Board Meetings and Committee Meetings
James Cacioppo <sup>(2)(4)</sup> Florida, U.S.	57	Chairman, CEO and Director	January 2018	Chairman and CEO of Jushi (January 2018 to Present); Managing Partner, One East Partners (April 2006 to Present)	114,000 Super Voting Shares 1,656,092 Subordinate Voting Shares	100%
Erich Mauff	53	Co-President and	January	President of	20,000 Super	

New York, U.S.		Director	2018	Jushi (January 2018 to Present); CEO, Grey Lourie LLC (December 2015 to January 2016); Vice-Chairman, Deutsche Bank (March 1999 to December 2015)	Voting Shares 1,813,808 Subordinate Voting Shares	100%
Joseph Max Cohen Colorado, U.S.	41	Director	COO from June 2019 through January 2020	Owner / Manager of HMS LLC (November 2009 to Present); COO of Jushi (June 2019 to January 2020)	2,416,029 Subordinate Voting Shares	100%
Benjamin Cross <sup>(2)(3)(4)(5)</sup> Connecticut, U.S.	65	Director	N/A	Managing Director of Morgan Stanley (May 1995 to May 2015)	159,171 Subordinate Voting Shares	100%
Stephen Monroe <sup>(2)(3)(4)(5)</sup> New York, U.S.	60	Director	N/A	President and Managing Partner of Liquid Capital Alternative Funding (March 2016 to Present); Royal Bank of Scotland (May 2009 to October 2015)	88,756 Subordinate Voting Shares	100%
Peter Adderton <sup>(3)(5)</sup> California, U.S.	53	Director	N/A	CEO of Boost Mobile Australia (2017 to Present); CEO of 360fly (2015 to 2017); CEO Digital Turbine (2014)	59,171 Subordinate Voting Shares	100%

**Notes:**

- (1) Excludes any options or warrants held by such persons but includes unvested restricted Subordinate Voting Shares.
- (2) Member of Jushi Compensation Committee.
- (3) Member of Jushi Audit Committee.
- (4) Member of Jushi Nominating and Corporate Governance Committee.
- (5) Independent Director.

The biographies of the proposed nominees for directors are set out below.

**James Cacioppo, Founder, Chairman and Chief Executive Officer**

Mr. Cacioppo brings managerial, start-up, financial and investing experience to his role as Founder, Chairman and CEO of Jushi. Prior to founding Jushi, Mr. Cacioppo spent over two decades managing the business and allocating capital in senior management positions at several large hedge funds; two of which were early-stage success stories.

Mr. Cacioppo is Co-Founder and Managing Partner of One East Partners (US\$2.3 billion (peak AUM)). Previously, Mr. Cacioppo served as President and Co-Portfolio Manager of Sandell Asset Management (US\$5.0 billion (peak AUM)) and Head of Distressed Debt for Halcyon Management, a global investment firm with over US\$9 billion in assets. Mr. Cacioppo earned his BA from Colgate University and his MBA from Harvard University.

**Erich Mauff, Founder, Co-President and Director**

Mr. Mauff brings financial and managerial experience to his role as Founder, President and Director of Jushi. Mr. Mauff spent over 20 years at Deutsche Bank, first heading Capital Markets & Treasury Solutions group, then serving as Managing Director and Vice Chairman of Corporate Finance North America. Mr. Mauff's fierce work ethic extends beyond even his executive experience—in 1992, Mr. Mauff competed in the Olympics for South Africa's Men's rowing team. Mr. Mauff earned his BA from Brown University.

**Joseph Max Cohen, Director**

Mr. Cohen was previously the COO of Jushi until January 1, 2020. Mr. Cohen serves as Founder and CEO of The Clinic™, a large-scale cannabis retailer. Mr. Cohen is a founding member of the Marijuana Industry Group and a member of the board for the National Cannabis Industry Organization (a national marijuana lobbying and policy organization). Mr. Cohen was a founding board member of Green Thumb Industries (GTI). Mr. Cohen earned his BS in Business Administration from the University of Montana.

**Benjamin Cross, Director**

Mr. Cross brings extensive financial markets experience and commodities knowledge to his role as Director at Jushi. Mr. Cross spent 20 years at Morgan Stanley in both their London and New York offices in the Commodities division until his retirement in 2015 as a Managing Director at the firm. Prior to joining Morgan Stanley, Mr. Cross worked at Merrill Lynch and the commodities exchange. Mr. Cross earned his BS from Cornell University. Presently, Mr. Cross is a Board Advisor to Ursa Space, a geospatial intelligence firm with an emphasis in measuring global oil inventories.

**Stephen Monroe, Director**

Mr. Monroe brings vast experience in financial markets and risk management to his role as Director at Jushi. Mr. Monroe is President and Managing Partner of Liquid Capital Alternative Funding (LCAF), an asset-based lender. Prior to joining LCAF, Mr. Monroe served as National Sales Manager for Short Duration Products at JP Morgan and was previously employed in a variety of senior management positions covering cash and short duration products at Barclays and the Royal Bank of Scotland. Mr. Monroe earned his BA from Williams College.

**Peter Adderton, Director**

Mr. Adderton brings invaluable operational and marketing expertise to his role as Director at Jushi. Mr. Adderton is a Director and Founder of Boost Mobile, a wireless telecommunications brand based in Australia. Under his leadership, Boost Mobile USA was purchased by Nextel/Spring and remains a wholly owned subsidiary of Spring Nextel. Mr. Adderton to founding Boost Mobile, Mr. Adderton founded Amp'd Mobile, a wireless company and Mandalay Digital, now Digital Turbine, a mobile solutions provider. At Mandalay Digital, Mr. Adderton was the company's CEO and Director, during which time he lead the company to a listing on the NASDAQ. Mr. Adderton graduated from Sydney Technical College.

**The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the Voting Shares represented thereby FOR (i) fixing the number of directors of the Corporation at six; and (ii) the re-election of each of the aforementioned nominees unless otherwise instructed on a properly executed and validly deposited proxy.** Management does not contemplate that any nominees named above will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

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

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

- (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied

the relevant company access to any exemptions under Canadian securities legislation that was in effect for a period of more than 30 consecutive days (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.

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Information Circular, or has been within the ten years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten 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.

### **3. *Appointment of Auditors***

Shareholders will be requested to re-appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders, and to authorize the directors of the Corporation to fix the auditors’ remuneration and the terms of their engagement. MNP LLP was first appointed auditors of the Corporation on April 29, 2019.

**The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the resolution appointing MNP LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix MNP LLP’s remuneration.**

### **4. *Adoption of Amended 2019 Equity Incentive Plan***

At the Meeting, Shareholders will be requested to consider and, if thought advisable, pass an ordinary resolution adopting amendments to the Corporation’s Original 2019 Equity Incentive Plan (as defined below) (as amended, the “**Amended 2019 Equity Incentive Plan**”) to (i) allow for the previously-intended favorable income tax treatment accorded to incentive stock options and (ii) clarify the maximum number of Subordinate Voting Shares that may be issued by the Corporation pursuant to such plan. These proposed amendments to the Original 2019 Equity Incentive Plan were approved by the Board on June 7, 2019. The full text of the resolution to approve the Amended 2019 Equity Incentive Plan is set out as Appendix “A” to this Information Circular.

The Corporation’s original 2019 Equity Incentive Plan (the “**Original 2019 Equity Incentive Plan**”) approved by the Board and adopted by Shareholders on April 29, 2019 intended to provide for the award of incentive stock options within the meaning of Section 422 of the U.S. Internal Revenue Code (the “**Code**”), but did not include a maximum number of Subordinate Voting Shares authorized for issuance thereunder as required by the Code and applicable regulations promulgated thereunder.

The Board therefore approved amending Section 3(c) of the Original 2019 Equity Incentive Plan as provided below to provide for the desired favorable income tax treatment accorded to incentive stock options within the meaning of Section 422 of the Code:

- (c) **Incentive Stock Option Limit.** Subject to the Plan provisions relating to Capitalization Adjustments, the aggregate maximum number of Subordinate Voting Shares that may be issued



pursuant to the exercise of Incentive Stock Options will be equal to the Share Reserve as of June 6, 2019.

In addition, in order to provide additional flexibility in connection with the Corporation's security-based compensation arrangements, the Board also approved amending Section 3(a) of the Original 2019 Equity Incentive Plan as provided below to provide that, for the purposes of calculating the maximum number of Subordinate Voting Shares that may be issued pursuant to Awards under the Amended 2019 Equity Incentive Plan from time to time (as per the amendment to Section 3(c) described above), any issuance from treasury by the Corporation that is or was used as an inducement to employees or officers not previously employed by and not previously an insider of the Corporation shall not be included, to a maximum of 2% of the then-issued and outstanding Subordinate Voting Shares (including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an as-converted basis):

(a) **Share Reserve.** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Subordinate Voting Shares that may be issued pursuant to Awards will not exceed 15% of the number of outstanding Subordinate Voting Shares, including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an as-converted basis (the “**Fully Converted Number of Shares**”) plus an additional 2% of the Fully Converted Number of Shares that may be used as inducements to Employees and Officers not previously employed by the Company and who were not previously an insider of the Company under applicable securities laws (the “**Share Reserve**”). For clarity, the Share Reserve is a limitation on the number of Subordinate Voting Shares that may be issued pursuant to the Plan. Accordingly, the Share Reserve does not limit the granting of Awards except as provided in Section 7(a).

This proposed amendment to the Original 2019 Equity Incentive Plan was approved by the Board on April 30, 2020.

All prior equity incentives granted under the Original 2019 Equity Incentive Plan will, from and after the date of adoption of the Amended 2019 Equity Incentive Plan (assuming Shareholders approve the Amended 2019 Equity Incentive Plan at the Meeting), be governed by the terms of the Amended 2019 Equity Incentive Plan.

The foregoing description of the Amended 2019 Equity Incentive Plan is intended as a summary only and does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Amended 2019 Equity Incentive Plan, which the full text of which is set out in Appendix “B” of this Information Circular.

**The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the Voting Shares represented thereby FOR the resolution adopting the Amended 2019 Equity Incentive Plan.**

##### **5. Adoption of Advance Notice Policy**

At the Meeting, Shareholders will be requested to consider and, if thought advisable, pass a special resolution adopting a policy relating to the advance nomination of directors of the Corporation (the “**Advance Notice Policy**”) approved by the Board on August 9, 2019. The full text of the special resolution to approve the Advance Notice Policy is set out as Appendix “C” to this Information Circular.

The Advance Notice Policy requires Shareholders who wish to nominate candidates for election as directors to provide the Corporation with timely notice thereof in proper written form. The Advance Notice Policy is intended to:

- (a) provide all Shareholders, including those participating in a meeting of Shareholders by proxy, with adequate notice of director nomination, thus enabling them to exercise their votes in an informed manner;
- (b) ensure the Board has the opportunity to make an informed recommendation and, if appropriate, present alternatives to Shareholders; and
- (c) facilitate an orderly and effective meeting process.

Subject only to the Act, applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in the Advance Notice Policy shall be eligible for election as directors to the Board. Nominations of persons for election to the Board may only be made at an annual meeting of Shareholders, or at a special meeting of Shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of Act or a requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in Section 3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this Policy.

For a nomination to be made by a Nominating Shareholder, the Nominating Shareholder’s notice (“**Notice**”) must be received by the Corporate Secretary of the Corporation as follows:

- (a) in the case of an annual meeting of Shareholders (including an annual and special meeting), not later than the close of business on the thirtieth 30th day; provided, however, if the date (the “**Notice Date**”) on which the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation; and
- (c) notwithstanding the foregoing clauses, in the case of an annual or special meeting of Shareholders where “notice-and-access” is used for the delivery of proxy-related materials the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the fortieth (40th) day before the applicable meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of Shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting of Shareholders, not later than the close of business on the 15th day following the Notice Date.

To be considered made in proper written form, the Notice must include:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
  - (i) their name, age, business and residential address;
  - (ii) the principal occupation, business or employment both presently and for the past five years;
  - (iii) whether the Proposed Nominee is a “resident Canadian” within the meaning of the Act;

- (iv) whether the Proposed Nominee would qualify as a director where the Corporation and its subsidiaries operate and expects to continue to operate in regulated businesses requiring, among other things, satisfactory background checks, legible fingerprints and disclosure of certain personal information.
  - (v) the number of securities of each class of Voting Shares of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, 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;
  - (vi) a description of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder, in connection with the Proposed Nominee's nomination and election as director; and
  - (vii) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law;
- (b) as to each Nominating Shareholder giving the Notice:
- (i) their name, business and residential address;
  - (ii) the number of securities of each class of Voting Shares of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, 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;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
  - (iv) full particulars of any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board; and
  - (v) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

The chair of any meeting of Shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of the Advance Notice Policy, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of Shareholders.

Despite any other provision of this Policy, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of Shareholders of the Corporation to present the nomination of the Proposed Nominee, such nomination shall be disregarded, notwithstanding that proxies in respect of such

nomination may have been received by the Corporation.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy.

The foregoing description of the Advance Notice Policy is intended as a summary only and does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Advance Notice Policy, which the full text of which is set out in Appendix “D” of this Information Circular.

**To become effective, the special resolution adopting Advance Notice Policy must be approved by not less than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast upon such resolution by Shareholders, voting as a single class, present in person or represented by proxy at the Meeting. The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the Voting Shares represented thereby FOR the special resolution adopting the Advance Notice Policy.**

## **6. *Articles Amendment Resolution***

At the Meeting, Shareholders will be requested to consider and, if thought advisable, pass a special resolution adopting an amendment to the Corporation’s articles providing for a forum for adjudication of certain disputes (the “**Forum Adjudication Clause**”), whereby unless the Corporation approves or consents in writing to the selection of an alternative forum, the courts of the province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation, (c) any action asserting a claim arising pursuant to any provision of the Act or the notice of articles or articles of the Corporation (as either may be amended from time to time); or (d) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but this does not include claims related to the business carried on by the Corporation or such affiliates. The full text of the Forum Adjudication Clause is set out below:

### **“Forum for Adjudication of Certain Disputes.**

Unless the Corporation consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom (collectively, the “**Courts**”) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation, (iii) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act* or the notice of articles or articles of the Corporation (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Corporation or such affiliates.

If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the Province of British Columbia (a “**Foreign Action**”) in the name of any registered or beneficial shareholder, such registered or beneficial shareholder shall be deemed to have consented to (i) the personal jurisdiction of the Courts in connection with any action brought in any such Court to enforce the foregoing exclusive forum provision (an “**Enforcement Action**”), and (ii) having service of process made upon such registered or beneficial shareholder in such Enforcement Action by service upon such registered or beneficial shareholder’s counsel in the Foreign Action as agent of the shareholder.”

The full text of the resolution to approve the amendment to the Corporation’s articles to include the Forum Adjudication Clause is set out as Appendix “E” to this Information Circular.

**To become effective, the special resolution adopting the amendment to the Corporation’s articles to include the Forum Adjudication Clause must be approved by not less than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast upon such resolution by Shareholders, voting as a single class, present in person or represented by proxy at the Meeting. The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the**

**Voting Shares represented thereby FOR the special resolution adopting the amendment to the Corporation's articles to include the Forum Adjudication Clause.**

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### AGGREGATE INDEBTEDNESS

Purpose	To the Corporation or its Subsidiaries <sup>(1) (2)</sup>	To Another Entity
Share Purchases	US\$4,917,500	Nil
Other	Nil	Nil

**Notes:**

- (1) Indebtedness as of April 30, 2020.
- (2) Excluding interest.

### INDEBTEDNESS OF DIRECTORS AND OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Fiscal Year 2019 <sup>(1)</sup>	Amount Outstanding as of April 30, 2020 <sup>(1)</sup>	Financially Assisted Securities Purchases During Fiscal Year 2019	Security for Indebtedness	Amount Forgiven During Fiscal Year 2019
Kimberly Bambach Chief Financial Officer	Corporation as lender	US\$1,012,500	US\$1,012,500	750,000 Subordinate Voting Shares	Pledge of Securities	Nil
Louis J. Barack Co-President and Corporate Secretary	Corporation as lender	US\$800,000	US\$800,000	400,000 Subordinate Voting Shares	Pledge of Securities	Nil

**Notes:**

- (1) Excluding interest.

Prior to the Corporation becoming a public issuer it provided loans to certain executive officers in April 2019, including Kimberly Bambach and Louis J. Barack, in the aggregate principal amounts of US\$1,012,500 and US\$800,000, respectively. Such loans are evidenced by promissory notes, accrue interest at the fixed rate of 2.89% per annum, compounded annually, and were provided to enable such executives to purchase restricted Subordinate Voting Shares pursuant to the Original 2019 Equity Incentive Plan. The loans provided by the Corporation shall be due and payable, with accrued interest thereon, on the earlier of (a) the tenth (10th) anniversary of the date of issuance, (b) the date thirty (30) days after the termination of the debtor's employment with the Corporation and all of its affiliates and subsidiaries, (c) the closing date of any sale or other disposition of the applicable Subordinate Voting Shares by the debtor (other than merger, consolidation or similar corporate transaction in which the Subordinate Voting Shares are exchanged for equity securities of another corporation, partnership, limited liability company or other entity), (d) the date immediately preceding the Corporation's (or an affiliate's) filing of a registration statement under the Securities Act of 1933, as amended, or (e) the date immediately preceding the effectiveness of the Corporation's or any affiliate's registration of a class of securities under the Securities Exchange Act of 1934, as amended. These promissory notes are subject to the terms of pledge agreements providing for full recourse against the restricted Subordinate Voting Shares issued to the executive. Other than the indebtedness described above, no person who is or at any time during the most recently completed financial year was a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing persons has been indebted to the Corporation or any of its subsidiaries at any time since the commencement of the Corporation's most recently completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## SECURITY-BASED COMPENSATION ARRANGEMENTS

### *Equity Compensation Plan Information*

On April 29, 2019, Shareholders approved the Original 2019 Equity Incentive Plan. The Original 2019 Equity Incentive Plan permits the grant of: (i) nonqualified stock options (“**NQSOs**”) and incentive stock options (“**ISOs**”) (collectively, “**Options**”); (ii) restricted stock awards; (iii) restricted stock units (“**RSUs**”); (iv) stock appreciation rights (“**SARs**”); and (v) performance compensation awards, which are referred to herein collectively as “**Awards**,” as more fully described below.

The following table sets out information as of December 31, 2019 with respect to the Original 2019 Equity Incentive Plan.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding Options and other rights	(b) Weighted-average exercise price of outstanding Options and other rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by Shareholders <sup>(1)</sup>	9,061,333	\$1.89	4,712,861
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
TOTAL	9,061,333	\$1.89	4,712,861

**Note:**

- (1) The maximum number of Subordinate Voting Shares issuable under the Equity Incentive Plan of the Corporation as of December 31, 2019 was 16,573,896, representing 15% of the number of the issued and outstanding Subordinate Voting Shares (including, for these purposes, the number of Subordinate Voting Shares underlying the Multiple Voting Shares and the Super Voting Shares on an “as if converted” basis) (the “**Outstanding Share Number**”).

As at December 31, 2019, the following Awards were outstanding under the Equity Incentive Plan: (i) a total of 9,061,333 Options, representing approximately 8.2% of the then Outstanding Share Number; and (ii) a total of 2,799,702<sup>2</sup> Restricted Stock Awards, representing approximately 2.5% of the then Outstanding Share Number. As at December 31, 2019, an aggregate of 4,712,861 Subordinate Voting Shares remained available for issuance under the Equity Incentive Plan, representing approximately 4.3% of the then Outstanding Share Number.

Purpose

The purpose of the Original 2019 Equity Incentive Plan is to: (i) promote and retain employees, directors and consultants capable of assuring the future success of the Corporation and its affiliated companies; (ii) motivate management to achieve long-range goals; and (iii) to provide compensation and opportunities for ownership and alignment of interests with Shareholders.

The Original 2019 Equity Incentive Plan permits the grant of (i) NQSOs and ISOs; (ii) restricted stock awards; (iii) RSUs; (iv) SARs; and (v) other awards, as more fully described below. Pursuant to the Original 2019 Equity Incentive Plan, the Board may delegate some or all of the administration of the Original 2019 Equity Incentive Plan to a

<sup>2</sup> Does not include Restricted Stock not issued pursuant to the Corporation’s Equity Incentive Plan.

committee or committees thereof. The Original 2019 Equity Incentive Plan is currently administered by the Board, and the Board has delegated to the Compensation Committee the ability to grant Options to newly hired individuals.

### Eligibility

Any of the employees, officers, directors, and consultants of the Corporation (or of any of its affiliates) are eligible to participate (each a “**Participant**”) in the Original 2019 Equity Incentive Plan if selected by the Compensation Committee of the Corporation. The basis of participation of an eligible recipient of an Award under the Original 2019 Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Original 2019 Equity Incentive Plan, will be determined by Board and/or Compensation Committee based on their judgment as to the best interests of the Corporation and Shareholders, and therefore cannot be determined in advance.

The maximum number of Subordinate Voting Shares that may be issued under the Original 2019 Equity Incentive Plan shall be determined by the Board from time to time, but in no case shall exceed, in the aggregate, 15% of the number of Subordinate Voting Shares (including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an “as if converted” basis) then outstanding. However, the total number of ISOs may not exceed 15,216,750. Any Subordinate Voting Shares subject to an Award under the Original 2019 Equity Incentive Plan that are forfeited, cancelled, 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 Original 2019 Equity Incentive Plan.

In the event of any change that is made in, or other events that occur with respect to, the Subordinate Voting Shares subject to the Original 2019 Equity Incentive Plan or subject to any Award after the Effective Date without the receipt of consideration by the Corporation through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), the Board may (and in some cases, shall) adjust, as appropriate in order to prevent dilution or enlargement of, the rights of Participants under the Original 2019 Equity Incentive Plan, to (i) the number and kind of securities which may thereafter be issued in connection with Awards, (ii) the number and kind of securities that may be issued pursuant to the exercise of ISOs, and (iii) the number and kind of shares issuable in respect of outstanding Awards.

### Awards

#### *Options*

The Board or Compensation Committee, in the case of a new hire, is authorized to grant Options under the Original 2019 Equity Incentive Plan to purchase Subordinate Voting Shares that are either ISOs, meaning they are intended to satisfy the requirements of Section 422 of the Code, or NQSOs, which are not intended to satisfy the requirements of Section 422 of the Code; provided, however, that eligibility to receive an Award of ISOs is limited to employees of the Corporation or any subsidiary corporation of the Corporation. Consultants and non-employee directors are not eligible to receive ISOs. Unless the Board or Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of an Option will not be less than the fair market value (as determined under the Original 2019 Equity Incentive Plan) of the Subordinate Voting Shares at the time of grant. Options will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. The maximum term of an Option 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 or by check, or by such other method as the Board or Compensation Committee may determine to be appropriate, including by loan or other extension of credit from the Corporation (or an affiliate), by surrender of unrestricted shares (at their fair market value on the date of exercise) and other cashless exercise arrangements. The Board or Compensation Committee may, in its discretion, accelerate the vesting and exercisability of Options. Unless otherwise provided in the applicable award agreement or as may be determined by the Board or Compensation Committee, upon a Participant's termination of service with the Corporation the unvested portion of an Option will be forfeited.

### *Restricted Stock*

A restricted stock award is a grant of Subordinate Voting Shares, which are subject to forfeiture restrictions during a restriction period. The Board or Compensation Committee will determine the price, if any, to be paid by the Participant for each Subordinate Voting Share subject to a restricted stock award. If any payment is required, it may be paid in cash, by check, or by such other method as the Board or Compensation Committee may determine to be appropriate, including by surrender of unrestricted shares or by loan or other extension of credit from the Corporation (or an affiliate). The Board or Compensation Committee may condition the expiration of the restriction period, if any, upon: (i) the Participant's continued service over a period of time with the Corporation or its affiliates; (ii) the achievement by the Participant, the Corporation or its affiliates of any other performance goals set by the Compensation Committee; or (iii) any combination of the above conditions as specified in the applicable award agreement. If the specified conditions are not attained, the Participant will forfeit the portion of the restricted stock award with respect to which of those conditions are not attained, and the underlying Subordinate Voting Shares will be forfeited or repurchased. At the end of the restriction period, if the conditions (if any) have been satisfied, the restrictions imposed will lapse with respect to the applicable number of Subordinate Voting Shares. During the restriction period, unless otherwise provided in the applicable award agreement, a Participant will have the right to vote the shares underlying the restricted stock and dividends will be paid as determined by the Board or Compensation Committee. The Board or Compensation Committee may, in its discretion, accelerate the vesting and delivery of shares of restricted stock. Unless otherwise provided in the applicable award agreement or as may be determined by the Board or Compensation Committee, upon a Participant's termination of service with the Corporation or its affiliates, the unvested portion of a restricted stock award will be forfeited or repurchased.

### *Restricted Stock Units*

RSUs are granted in reference to a specified number of Subordinate Voting Shares and entitle the holder to receive, on achievement of specific performance goals established by the Board or Compensation Committee, after a period of continued service with the Corporation or its affiliates or any combination of the above as set forth in the applicable award agreement, one Subordinate Voting Share for each such Subordinate Voting Share covered by the RSU; provided, that the Board or Compensation Committee may elect to pay cash, or part cash and part Subordinate Voting Shares in lieu of delivering only Subordinate Voting Shares. The Board or Compensation Committee will determine the consideration, if any, to be paid by the Participant for each Subordinate Voting Share subject to an RSU. If any payment is required, it may be paid in any form of legal consideration that may be acceptable to the Board or Compensation Committee, including by loan or other extension of credit from the Corporation (or an affiliate). The Board or Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board or Compensation Committee, upon a Participant's termination of service with the Corporation or its affiliates, the unvested portion of the RSUs will be forfeited. RSU holders will not have any shareholder rights, including voting or dividend rights, with respect to their RSUs until Subordinate Voting Shares are issued in settlement of such RSUs; provided that the Board or Compensation Committee may provide for dividend equivalents, subject to applicable terms and conditions. The Board or Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board or Compensation Committee, upon a Participant's termination of service with the Corporation and its affiliates, the unvested portion of an RSU award will be forfeited.

### *Stock Appreciation Rights*

A SAR entitles the Participant to receive, upon exercise of the SAR, a payment in an amount equal to 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. Any grant may specify a vesting period or periods before the SAR may become exercisable and permissible dates or periods on or during which the SAR shall be exercisable. No SAR may be exercised more than ten years from the grant date. Upon a Participant's termination of service with the Corporation and its affiliates, the same general conditions applicable to Options as described above would be applicable to the SAR. Board or Compensation Committee may, in its discretion, accelerate the vesting of SARs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board or Compensation Committee, upon a Participant's termination of service with the Corporation and its affiliates, the unvested portion of an SAR will be forfeited.



### *Substitute Awards*

If the Corporation or an affiliate acquires another company by merger, consolidation, stock purchase or asset purchase (an “**Acquired Entity**”), the Board may authorize the grant of Substitute Awards to current and former employees, directors and consultants of the Acquired Entity in substitution for stock and stock-based awards (“**Acquired Entity Awards**”) held by the current and former employees, directors or consultants of the Acquired Entity to in order to preserve the economic value of the Acquired Entity Awards, subject to applicable Canadian securities laws. The number of Subordinate Voting Shares and the exercise price or purchase price (if applicable) underlying the Substitute Awards will be adjusted as the Board determines necessary to achieve preservation of economic value.

### General

The Board or Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Original 2019 Equity Incentive Plan shall be nontransferable except by will or by the laws of descent and distribution.

In general, no Participant shall have any rights as a Shareholder with respect to Subordinate Voting Shares covered by Options, SARs, 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 Original 2019 Equity Incentive Plan except in compliance with all applicable laws.

The Board may amend, alter, suspend, discontinue or terminate the Original 2019 Equity Incentive Plan and 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 Shareholders if such approval is necessary to comply with any tax or regulatory requirement applicable to the Original 2019 Equity Incentive Plan (including, without limitation, as necessary to comply with any rules or requirements of an applicable securities exchange), and (ii) no such amendment or termination may adversely affect Awards then outstanding without the Award holder's permission.

In the event of a Change in Control, as defined in the Original 2019 Equity Incentive Plan, the Board may, in its sole discretion, cause any (or a combination) of the following to be effective upon the consummation of the Change in Control (or effective immediately prior to the consummation of the Change in Control, provided that the consummation of the change in control subsequently occurs):

- terminate the Award, whether or not vested, in exchange for cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of such Award or upon lapse of any restriction period as determined by the Board);
- cause the successor or survivor corporation, or its parent company to assume the Award or to substitute the Award for similar awards for the stock of the successor or survivor corporation, or its parent company, with appropriate adjustments as to the number and kind of shares and prices;
- accelerate the time period during which Options and SARs may be exercised so that such Options and SARs may be exercised prior to the consummation of the change in control;
- accelerate vesting and settlement of the Award and cause any or all forfeiture conditions to lapse; or
- terminate any Award that is not vested or cannot be exercised prior to the consummation of the change in control.

### Tax Withholding

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

## STATEMENT OF EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

#### Compensation Governance

The Board has not adopted any formal policies or procedures to determine the compensation of the Corporation's directors or executive officers. The compensation of the directors and executive officers is determined by the Board, based on the recommendations of the Compensation Committee. Recommendations of the Compensation Committee are made giving consideration to the objectives discussed below and, if applicable, considering applicable industry data.

The Compensation Committee currently consists of three directors: James Cacioppo (Chair), Stephen Monroe and Benjamin Cross, all of whom have direct and indirect experience relevant to their roles as members of the Compensation Committee. Stephen Monroe and Benjamin Cross are independent director members of the Compensation Committee. For details regarding the experience of the members of the Compensation Committee, see the biographies of each member set out in the section "*Number of Directors and Election of Directors*".

The role and responsibility of the Compensation Committee is to assist the Board in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the directors and executive officers. In addition, the Compensation Committee is charged with reviewing the Corporation's security-based compensation arrangements and proposing changes thereto, approving any awards of options or other security-based compensation arrangements and recommending any other employee benefit plans, incentive awards and perquisites with respect to the directors and executive officers. The Compensation Committee is also responsible for reviewing, approving and reporting to the Board annually (or more frequently as required) on the Corporation's succession plans for its executive officers.

The Compensation Committee endeavors to ensure that the philosophy and operation of the Corporation's compensation program reinforces its culture and values, creates a balance between risk and reward, attracts, motivates, and retains executive officers over the long-term and aligns their interests with those of the Shareholders. In addition, the Compensation Committee is to review the Corporation's annual disclosure regarding executive compensation for inclusion where appropriate in the Corporation's disclosure documents.

#### Elements of Compensation

The Compensation Committee will annually review the compensation of its directors and executives and make such changes as it deems appropriate. See "*Statement of Corporate Governance – Board Committees*" for a discussion of the Compensation Committee, including its objectives.

Prior to becoming a public company, in April 2019, Jushi Inc hired executive compensation consultants to perform market research on the appropriate compensation for the Corporation's Named Executive Officers ("NEOs") and independent directors. Based on the results of the research, compensation packages were proposed to the then-directors, James Cacioppo and Erich Mauff, who approved the current compensation.

The compensation of the NEOs was comprised of the following major elements: (a) base salary; (b) an annual, cash bonus; and (c) long-term equity incentives, consisting of stock options, restricted stock awards, restricted stock units, stock appreciation rights and other applicable awards granted under the Original 2019 Equity Incentive Plan and any other equity plan that may be approved by the Board from time to time. Base salaries and annual bonuses were determined on an individual basis, taking into consideration the past, current and potential contribution to the Corporation's success, the NEO's experience and expertise, the position and responsibilities of the NEO, and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

The Board considered risks associated with executive compensation and does not believe that the Corporation's executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks. In addition to cash compensation, NEOs are compensated in part through the granting of options which is

compensation that is both “at risk” and associated with long-term value creation. The value of such compensation is dependent upon Shareholder return over the applicable vesting period which reduces the incentive for executives to take inappropriate or excessive risks as their long-term compensation is at risk.

Currently, all employees of Jushi Inc, a wholly-owned subsidiary of the Corporation, are eligible to participate in a 401k plan which includes an employer contribution of 3% of the employee’s base salary.

**Summary Compensation**

The following tables set forth the cash compensation paid and equity compensation awarded to the following executive officers of the Company for 2019: (i) the CEO; (ii) the CFO; and (iii) the three most highly compensated individuals whose total compensation was more than US\$150,000:

Table of Compensation Excluding Security-Based Compensation Arrangements							
Name & Position	Year	Salary, Consulting Fee, Retainer, or Commission (US\$)	Bonus (US\$)	Committee or Meeting Fees (US\$)	Value of Perquisites (US\$)	Value of all Other Compensation (US\$)	Total Compensation (US\$)
James Cacioppo Chairman and CEO of the Board	2019	\$300,000	\$700,000	Nil	Nil	Nil	\$1,000,000
Erich Mauff Co-President and Director	2019	\$266,667	\$475,000	Nil	Nil	Nil	\$741,667
Kimberly Bambach CFO	2019	\$233,333	\$50,000	Nil	Nil	Nil	\$283,333
Louis J. Barack Co-President and Corporate Secretary	2019	\$237,500	\$350,000	Nil	Nil	Nil	\$587,500
Trenton Woloveck EVP, Head of Originations	2019	\$233,333	\$50,000	Nil	Nil	Nil	\$283,333

Security-Based Compensation Arrangements <sup>(1)</sup>							
Name & Position	Type of Compensation Security <sup>(2)</sup>	Number of Compensation Securities / Number of Underlying Securities <sup>(3)</sup> / Percentage of Class	Date of Issue or Grant	Issue, Conversion of Exercise Price (US\$)	Closing Price of Security or Underlying Security on Date of Grant (US\$)	Closing Price of Security or Underlying Security at Year End (US\$)	Expiry Date
James Cacioppo Chairman and CEO of the Board	ISO	2,385,000 / 9,061,333 / 26.32%	4/17/2019	\$2.00	\$0.94	\$1.38	4/17/ 2029
Erich Mauff President and Director	ISO	1,670,000 / 9,061,333 / 18.43%	4/17/2019	\$2.00	\$0.94	\$1.38	4/17/ 2029
Kimberly Bambach CFO	ISO	250,000 / 9,061,333 / 2.76%	4/17/2019	\$2.00	\$0.94	\$1.38	4/17/ 2029

Louis J. Barack Co-President and Corporate Secretary	ISO	793,000 / 9,061,333 / 8.75%	4/17/2019	\$2.00	\$0.94	\$1.38	4/17/ 2029
	Restricted Stock	400,000 / 3,539,285 / 11.30%	4/17/2019	\$2.00	\$0.94		N/A
Trenton Woloveck EVP, Head of Originations	Restricted Stock	750,000 / 3,539,285 / 21.19%	4/17/2019	\$2.00	\$0.94	\$1.38	N/A

**Notes:**

- (1) Does not include other securities issued outside of an equity incentive plan.
- (2) All ISOs (incentive stock options) are exercisable for Subordinate Voting Shares and all Restricted Stock are issued as Subordinate Voting Shares.
- (3) Restricted Stock includes both Restricted Stock issued pursuant to the Corporation’s Equity Incentive Plan and other Restricted Stock issued by the Corporation.

**Director Compensation**

In 2019, the compensation for each independent director is US\$50,000 per year in cash, to be paid quarterly, and a grant of US\$100,000 in restricted stock, which vests after one complete year of service. The Audit Committee Chair will receive an additional grant of US\$50,000 in restricted stock for the first year of service, which vests quarterly.

Security-Based Compensation Arrangements <sup>(1)</sup>							
Name	Type of Compensation Security	Number of Compensation Securities / Number of Underlying Securities <sup>(2)</sup> / Percentage of Class	Date of Issue or Grant	Issue, Conversion of Exercise Price (US\$)	Closing Price of Security or Underlying Security on Date of Grant (US\$)	Closing Price of Security or Underlying Security at Year End (US\$)	Expiry Date
Joseph Max <sup>(3)</sup> Cohen	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benjamin Cross	Restricted Stock	59,171 / 3,539,285 / 1.6%	9/3/2019	\$1.69	\$1.69	\$1.38	N/A
Stephen Monroe	Restricted Stock	88,756 / 3,539,285 / 2.5%	9/3/2019	\$1.69	\$1.69	\$1.38	N/A
Peter Adderton	Restricted Stock	59,171 / 3,539,285 / 1.6%	9/3/2019	\$1.69	\$1.69	\$1.38	N/A

**Notes:**

- (1) As of December 31, 2019.
- (2) Restricted Stock includes both Restricted Stock issued pursuant to the Corporations Equity Incentive Plan and other Restricted Stock issued by the Corporation.
- (3) Mr. Cohen received Director Compensation in early 2020.

**Termination and Change of Control Benefits**

Other than as disclosed herein, the Company does not have any contracts, agreements, plans or arrangements that provide for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the Company or change in an NEO’s responsibilities.

Under James Cacioppo’s and Erich Mauff’s stock option agreements, in the event of termination without cause or resignation for good reason, the NEOs’ stock options become fully vested.

Under Louis J. Barack’s employment agreement, in the event of termination without cause, the NEO is entitled to receive a cash severance equivalent to six (6) months of his annual base salary at the annual rate in effect immediately prior to his termination (“**Cash Severance**”). Upon a change of control, the NEO is automatically terminated and is entitled to the Cash Severance and acceleration of any outstanding equity grants.

Under Kimberly Bambach’s employment agreement, in the event of termination without cause, the NEO is entitled to receive (i) a cash severance equivalent to six (6) months of her annual base salary at the annual rate in effect immediately prior to her termination; and (ii) acceleration of any outstanding equity grants (together, “**Severance Payment**”). In the event of a change of control and for one year thereafter, for a resignation for good reason, the NEO is also entitled to the Severance Payment.

Under Trenton Woloveck’s employment agreement, in the event of termination without cause, the NEO is entitled to receive a Cash Severance equivalent to six (6) months of his annual base salary at the annual rate in effect immediately prior to his termination. In the event of a change of control and for one year thereafter, for a termination without cause or resignation for good reason, the NEO is entitled to a cash severance equivalent to six (6) months of his annual base salary at the annual rate in effect immediately prior to such termination or resignation and acceleration of any outstanding equity grants.

## STATEMENT OF CORPORATE GOVERNANCE

Under the Canadian Securities Administrators’ National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set forth below.

### ***Board***

The Corporation currently has three non-executive directors who the Corporation believes to be independent within the meaning of NI 58-101. The three independent directors of the Corporation are Stephen Monroe, Benjamin Cross and Peter Adderton. Each of James Cacioppo, who serves as Founder, Chairman and Chief Executive Officer of the Corporation, Erich Mauff, who serves as Co-President of the Corporation, and Joseph Max Cohen, who recently served as the Chief Operation Officer of the Corporation, are not considered to be independent given their current or recent status as executive officers of the Corporation.

### ***Directorships***

The following directors of the Corporation currently serve on the board of directors of other issuers that are reporting issuers (or the equivalent) which are set out below:

<b>Director</b>	<b>Reporting Issuer (Exchange)</b>
James Cacioppo	Viscount Systems (OTCM: VSYS)

### ***Orientation and Continuing Education***

Immediately following appointment, new directors of the Corporation are provided with historic information, current strategic plans for the Corporation and materials summarizing issues relating to the Corporation. New directors are also briefed by the chief executive officer of the Corporation, by the chief financial officer of the Corporation, by the legal counsel of the Corporation and by the Chair of the committees of the Board to which they are appointed, if any. In addition, the Corporation will make available any documents or personnel as may be requested by a new director in order to assist with the orientation and onboarding to the Board.

Although the Corporation has not adopted formal policies respecting continuing education for Board members, new directors are encouraged to communicate with the Corporation’s management, legal counsel, auditors and consultants,

to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Corporation's operations. In addition, the Board and its committees receive periodic reports from management and external advisors as to new developments in regard to corporate governance, industry trends, changes in legislation and other issues affecting the Corporation.

### ***Ethical Business Conduct***

The Board has adopted a *Code of Business Conduct* for directors, officers and employees (the "**Code of Conduct**"). The Code of Conduct is incorporated by reference into, and forms an integral part of, this Information Circular. The Code of Conduct also available on the Corporation's website at <https://ir.jushico.com/corporate-governance/governance-documents>. The Corporation will, upon request at [legal@jushico.com](mailto:legal@jushico.com), provide a copy of the Code of Conduct free of charge to any Shareholder. Further, the Board has adopted an Insider Trading Policy (the "**Policy**") also available on the Corporation's website at <https://ir.jushico.com/corporate-governance/governance-documents>. The Corporation will, upon request at [legal@jushico.com](mailto:legal@jushico.com), provide a copy of the Policy free of charge to any Shareholder.

The Board expects its directors, officers and employees to act ethically at all times and to acknowledge their adherence to the policies comprising the Code of Conduct and the Policy. The Board has delegated to Jushi's Compliance Committee the responsibility to oversee the Company's Code. The Compliance Committee is composed of the Corporation's Chief Executive Officer, Chief Financial Officer and Co-Head of Legal Affairs. The Co-Head of Legal Affairs is the Chair of the Compliance Committee and reports to the Audit Committee regularly regarding the Compliance Committee's oversight of the Code. Any material issues regarding compliance with the Code of Conduct or the Policy are required to be brought forward by the Chair of the Compliance Committee to either the Board or Audit Committee meetings, as may be appropriate in the circumstances. The Board and/or Audit Committee determine what remedial steps, if any, are required.

Each director of the Corporation must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.

### ***Board Committees***

The standing committees of Jushi's Board are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

#### Audit Committee

The Audit Committee, the charter of which is attached hereto as Appendix "F", is comprised of Benjamin Cross, Stephen Monroe and Peter Adderton, each of which is independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Stephen Monroe is the Chair of the Audit Committee. Each Audit Committee member is "financially literate" within the meaning of NI 52-110 and possesses education or experiences that is relevant for the performance of their responsibilities as an Audit Committee member. The duties of the Audit Committee are set out in an audit committee mandate that give the Audit Committee responsibility for, among other things, oversight of Jushi's internal accounting and financial reporting practices, financial statements and financial disclosures, external auditors, and compliance with legal and other regulatory requirements.

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board. At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### Compensation Committee

The Compensation Committee is comprised of James Cacioppo, Benjamin Cross and Stephen Monroe. James Cacioppo is the Chair of the Compensation Committee. The objective of the Compensation Committee in setting compensation levels is to attract and retain individuals of high caliber to serve as officers of Jushi, to motivate their performance to achieve Jushi's strategic objectives and to align the interests of executive officers with the long-term interests of the shareholders of Jushi. These objectives are designed to ensure that Jushi continues to grow on an absolute basis as well as to grow cash flow and earnings for shareholders of Jushi. The Compensation Committee sets the compensation received by NEOs to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Compensation Committee relies primarily on their own experience and knowledge.

The Compensation Committee is be composed of a majority of independent directors and is be responsible for:

- (a) reviewing and approving goals and objectives relevant to the CEO's compensation;
- (b) evaluating the CEO's performance with respect to those goals and objectives;
- (c) determining the CEO's compensation (both cash-based and equity-based);
- (d) reviewing and approving security-based compensation arrangements; and
- (e) making recommendations to the Board with respect to compensation of other senior officers and directors.

### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is composed of a majority of independent directors and is responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next annual meeting of Shareholders. The members of the Nominating and Corporate Governance Committee are James Cacioppo, Benjamin Cross and Stephen Monroe. James Cacioppo is the Chair of the Nominating and Corporate Governance Committee. In making its recommendations, the Nominating and Corporate Governance Committee consider a number of factors, including:

- (a) the competencies and skills that Jushi considers to be necessary for it, as a whole, to possess;
- (b) the diversity of the Board's composition;
- (c) the competencies and skills that Jushi considers each existing director to possess; and
- (d) the competencies and skills each new nominee will bring to the boardroom.

### ***Audit Fees***

The following table sets forth the aggregate fees billed as of April 29, 2020 by MNP LLP, Chartered Professional Accountants, the external auditors for the Corporation, for services rendered for the fiscal year ended December 31, 2019. MNP LLP was appointed as auditor of the Corporation on April 29, 2019.

	<b>2019</b>
Audit Fees <sup>(1)</sup> .....	\$374,500
Audit-related fees <sup>(2)</sup> .....	\$49,405
<b>Total</b> .....	<b>\$423,505</b>

#### **Notes:**

- (1) "Audit fees" include the aggregate fees billed for the audit of the annual consolidated financial statements.
- (2) "Audit related fees" includes the aggregate fees billed for the review of interim unaudited consolidated financial statements and technical, accounting and financial reporting advice services.

The following table sets forth the aggregate fees billed by Macias Gini & O’Connell, LLP, the external auditors for the Corporation prior to the Business Combination, for services rendered for the fiscal years ended December 31, 2019 and December 31, 2018.

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Audit Fees <sup>(1)</sup> .....	Nil	\$216,819
Audit-related fees <sup>(2)</sup> .....	\$33,892	Nil
All other fees <sup>(3)</sup> .....	\$121,750	Nil
<b>Total</b> .....	<b>\$155,642</b>	<b>\$216,819</b>

**Notes:**

- (1) “Audit fees” include the aggregate fees billed for the audit of the annual consolidated financial statements
- (2) “Audit related fees” include the aggregate fees billed for the review of interim unaudited consolidated financial statements
- (3) “All other fees” include the aggregate fees billed for a regulatory audit and filing.

**Assessments**

Based upon the Corporation’s size, its current state of development and the number of individuals on the Board, the Board considers a formal process for accessing the effectiveness and contribution of the Board as a whole, its committees or individual directors to be unnecessary at this time. Given that the Board and its committees meet on several occasions each year, each director has regular opportunity to assess the Board as a whole, its committees and other directors in relation to the Board and such director’s assessment of the competencies and skills that the Board and its committees should possess. The Board plans to continue to evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner for the foreseeable future.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as described herein, to the knowledge of the Corporation, no “informed person”, proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2019 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. An “informed person” means, among others, (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, or controls or directs, directly or indirectly, Voting Shares of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Corporation other than Voting Shares held by the person or company as underwriter in the course of a distribution; and (iii) a reporting issuer that has purchased, redeemed, or otherwise acquired any of its securities, for so long as it holds any of its securities.

James Cacioppo, Erich Mauff, Joseph Max Cohen, Benjamin Cross and Denis Arsenault all participated in a material transaction pursuant to which the Corporation raised \$35,654,688 (net of existing debt restructurings and debt issued in connection with acquisitions) by issuing 10% senior secured promissory notes and warrants (to certain investors).



## **ADDITIONAL INFORMATION**

Financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis of the results for the period ended December 31, 2019. Shareholders wishing to receive a copy of such materials should mail a request to the Corporation at 1800 NW Corporate Blvd, Boca Raton, FL 33431, Attention: Tobi Lebowitz, EVP & Co-Head of Legal Affairs.

Additional information relating to the Corporation is also available free of charge under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## APPENDIX “A”

### AMENDED 2019 EQUITY INCENTIVE PLAN RESOLUTION

BE IT RESOLVED, WITH OR WITHOUT AMENDMENT, AS AN ORDINARY RESOLUTION, THAT:

1. The Equity Incentive Plan (the “**Amended 2019 Equity Incentive Plan**”) of Jushi Holdings Inc. (the “**Corporation**”), as approved by the Corporation’s board of directors on June 7, 2019 and April 30, 2020 and attached as Appendix “B” to the management information circular of the Corporation dated May 4, 2020 (the “**Information Circular**”), be and hereby is approved and adopted.
2. The directors of the Corporation or any committee of the board of directors of the Corporation are hereby authorized to grant awards under the Amended 2019 Equity Incentive Plan, subject to the terms thereof.
3. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**APPENDIX "B"**

**AMENDED 2019 EQUITY INCENTIVE PLAN**

**JUSHI HOLDINGS INC.**

**2019 EQUITY INCENTIVE PLAN**

**1. GENERAL.**

(a) **Eligible Award Recipients.** Employees, Officers, Directors and Consultants are eligible to receive Awards.

(b) **Available Awards.** The Plan provides for the grant of the following types of Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Awards.

(c) **Purpose.** The purpose of the Plan is to: (i) promote and retain employees, directors and consultants capable of assuring the future success of the Resulting Issuer and its affiliated companies; (ii) motivate management to achieve long-range goals; and (iii) to provide compensation and opportunities for ownership and alignment of interests with the Resulting Issuer shareholders.

**2. ADMINISTRATION.**

(a) **Administration by Board.** The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) **Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan and subject to the Canadian Securities Laws:

(i) To determine (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Subordinate Voting Shares under the Award; (E) the number of Subordinate Voting Shares subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to an Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or at which cash or Subordinate Voting Shares may be issued).

(v) To take any action as described under Section 11.

(vi) To submit any amendment to the Plan that requires shareholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding incentive stock options and to comply with the Canadian Securities Laws.

(vii) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(viii) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are employed outside the United States.

(ix) To effect, with the consent of any adversely affected Participant, (A) the

reduction of the exercise, purchase or strike price of any outstanding Award, (B) the cancellation of any outstanding Award and the grant in substitution thereof of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of Subordinate Voting Shares as the cancelled Award and (y) granted under the Plan or another equity or compensatory plan of the Company or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) **Delegation to Committee.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(d) **Delegation to an Officer.** To the extent permitted by law, the Board may delegate to one (1) or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of Subordinate Voting Shares to be subject to such Awards granted to such Employees. However, if and as required by applicable law, the Board resolutions regarding such delegation will specify the total number of Subordinate Voting Shares that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. Unless permitted by applicable law, the Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value if the Subordinate Voting Shares are not listed on any established stock exchange or traded on any established market.

(e) **Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

### 3. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve.** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Subordinate Voting Shares that may be issued pursuant to Awards will not exceed 15% of the number of outstanding Subordinate Voting Shares, including the number of Subordinate Voting Shares underlying the Multiple Voting Shares and Super Voting Shares on an as-converted basis (the "Fully Converted Number of Shares") plus an additional 2% of the Fully Converted Number of Shares that may be used as inducements to Employees and Officers not previously employed by the Company and who were not previously an insider of the Company under applicable securities laws (the "*Share Reserve*"). For clarity, the Share Reserve is a limitation on the number of Subordinate Voting Shares that may be issued pursuant to the Plan. Accordingly, the Share Reserve does not limit the granting of Awards except as provided in Section 7(a).

(b) **Reversion of Shares to the Share Reserve.** Shares will return to the Plan, and will not reduce (or otherwise offset) the number of Subordinate Voting Shares that may be available for issuance under the Plan, if the Award, or any portion thereof:

(i) expires or otherwise terminates without all of the shares covered by such Award having been issued; or

(ii) is settled in cash (i.e., the Participant receives cash rather than stock).

**Incentive Stock Option Limit.** Subject to the Plan provisions relating to Capitalization Adjustments, the aggregate maximum number of Subordinate Voting Shares that may be issued pursuant to the exercise of Incentive Stock Options will be equal to the Share Reserve ~~(with each increase to the Share Reserve authorized by the Board and shareholders in accordance with the Canadian Securities Laws after the Effective Date also resulting in a corresponding increase in this Incentive Stock Option limit)~~ as of June 6, 2019.

(d) **Substitute Awards.** The Board may, in its discretion and on such terms and conditions as it considers appropriate under the circumstances and in accordance with Canadian Securities Laws, grant Awards under the Plan ("**Substitute Awards**") in substitution for stock and stock-based awards ("**Acquired Entity Awards**") held by current and former employees, directors or consultants of an Acquired Entity immediately prior to the transaction that caused the Acquired Entity to become an Acquired Entity in order to preserve for such current or former employees, directors and consultants the economic value of all or a portion of such Acquired Entity Award for such number of Shares and for such exercise price or purchase price (if applicable) as the Board determines necessary to achieve preservation of economic value.

(e) **Source of Shares.** The shares issuable under the Plan will be authorized but unissued or reacquired Subordinate Voting Shares, including shares repurchased by the Company on the open market or otherwise.

#### 4. ELIGIBILITY.

(a) **Eligibility for Specific Awards.** Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. However, that Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Awards is treated as "service recipient stock" under Section 409A (for example, because the Awards are granted pursuant to a corporate transaction, such as a spin off transaction) or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are otherwise exempt from or alternatively comply with the distribution requirements of Section 409A.

(b) **Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.

#### 5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or

certificates will be issued for Subordinate Voting Shares purchased on the exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical. However, each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) **Term.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement.

(b) **Exercise Price.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than one hundred percent (100%) of the Fair Market Value of the Subordinate Voting Shares subject to the Option or SAR on the date the Award is granted. Each SAR will be denominated in Subordinate Voting Shares equivalents.

(c) **Purchase Price for Options.** The purchase price of Subordinate Voting Shares acquired on the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft, electronic funds, wire transfer, or money order payable to the Company;

(ii) through a program that complies with Regulation T as established by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds (sometimes called a "*same day sale*" or "*sell to cover*");

(iii) by tendering the cash proceeds resulting from a sale to a third party investor of some of the shares to be exercised, but only if the investor is approved by the Company at the time of exercise;

(iv) by delivery to the Company (either by actual delivery or attestation) of Subordinate Voting Shares;

(v) if an option is a Nonstatutory Stock Option, by a "*net exercise*" arrangement by which the Company will reduce the number of Subordinate Voting Shares received on exercise by the largest whole number of shares with a fair market value that does not exceed the aggregate exercise price, coupled with a cash payment for any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued (and for clarity, these shares used to pay the exercise price will be issued at exercise, and then immediately reacquired by the Company);

(vi) by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on such loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes; or

(vii) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) **Exercise and Payment of a SAR.** To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (i) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of Subordinate Voting Shares equal to the number of Subordinate Voting Shares equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (ii) the strike price. The appreciation distribution may be paid in Subordinate Voting Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) **Transferability of Options and SARs.** The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) **Restrictions on Transfer.** Except as otherwise provided in this subsection 5(e)(i) and subject to the Canadian Securities Laws, no Award (other than fully vested and unrestricted Subordinate Voting Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Subordinate Voting Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. Where the Board does permit the transfer of an Award other than a fully vested and unrestricted Subordinate Voting Share, such permitted transfer shall be for no value and in accordance with all applicable Canadian Securities Laws.

(ii) **Domestic Relations Orders.** Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) **Beneficiary Designation.** Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Subordinate Voting Shares or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Subordinate Voting Shares or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) **Vesting Generally.** The total number of Subordinate Voting Shares subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs



may vary.

(g) **Termination of Continuous Service.** Except as otherwise provided below or in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than on the Participant's death or Disability), the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such other date as is specified in the Participant's Award Agreement, which must not be less than thirty (30) days following such termination), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR will terminate. In all cases, the unvested piece of an Option or SAR will terminate on the termination of Continuous Service.

(h) **Extension of Termination Date.** If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would be prohibited at any time solely because the issuance of Subordinate Voting Shares would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the immediate sale of any Subordinate Voting Shares received on exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the sale of the Subordinate Voting Shares received on exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) **Disability of Participant.** Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date that is twelve (12) months following such termination of Continuous Service, and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) **Death of Participant.** Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within three (3) months after the termination of the Participant's Continuous Service (for a reason other than death or Cause), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR on the Participant's death, but only within the period ending on the earlier of (A) the date that is twelve (12)

months following the date of death, and (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR will terminate.

(k) **Termination for Cause.** Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately on such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) **Non-Exempt Employees.** If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any Subordinate Voting Shares until at least six (6) months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) on a Change in Control in which such Option or SAR is not assumed, continued, or substituted, or (iii) on the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. If permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this paragraph will apply to all Awards and are hereby incorporated by reference into such Award Agreements.

(m) **Early Exercise.** An Option may, but need not, include a provision whereby the Participant may elect before the Participant's Continuous Service terminates to exercise the Option as to any part or all of the Subordinate Voting Shares subject to the Option prior to the full vesting of the Option, except as would be inconsistent with Section 5(l). Subject to the repurchase limitation in Section 8(l), any unvested Subordinate Voting Shares so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the repurchase limitation in Section 8(l) is not violated, the Company shall not be required to exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Award Agreement.

## **6. PROVISIONS OF AWARDS OTHER THAN OPTIONS AND SARs.**

(a) **Restricted Stock Awards.** Each Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, Subordinate Voting Shares may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement

or otherwise) the substance of each of the following provisions:

(i) **Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, electronic funds, wire transfer or money order payable to the Company, (B) past services to the Company or an Affiliate or (C) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law, including by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on such loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes.

(ii) **Vesting.** Subordinate Voting Shares awarded under the Restricted Stock Award may be subject to forfeiture to the Company in accordance with a vesting schedule (also referred to as a schedule for lapsing of the Company's unvested share repurchase rights) to be determined by the Board.

(iii) **Termination of Participant's Continuous Service.** If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the Subordinate Voting Shares held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Award Agreement.

(iv) **Transferability.** The right to acquire Subordinate Voting Shares under a Restricted Stock Award will not be transferable by the Participant. Once the Subordinate Voting Shares are issued, the Board may allow the holder to transfer unvested shares, but only on the terms and conditions in the Award Agreement, and only so long as the Subordinate Voting Shares awarded under the Award Agreement remains subject to the terms of the Award Agreement in the hands of the recipient.

(v) **Dividends.** In the absence of an Award Agreement expressly providing otherwise, any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) **Restricted Stock Unit Awards.** Each Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant on delivery of each share of Subordinate Voting Shares subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Subordinate Voting Shares subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law, including by loan or other extension of credit to the Participant from the Company or an Affiliate, but only if interest on the loan will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code, and (B) the classification of the Award as a liability for financial accounting purposes.

(ii) **Vesting.** At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as

it, in its sole discretion, deems appropriate.

(iii) **Payment.** A Restricted Stock Unit Award may be settled by the delivery of Subordinate Voting Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Award Agreement.

(iv) **Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Subordinate Voting Shares (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) **Dividend Equivalents.** Dividend equivalents may be credited on Subordinate Voting Shares covered by a Restricted Stock Unit Award, as determined by the Board and contained in Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional Subordinate Voting Shares covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Award Agreement to which they relate.

(vi) **Termination of Participant's Continuous Service.** Except as otherwise provided in the applicable Award Agreement, the unvested portion of the Restricted Stock Unit Award that has not vested will be forfeited on the Participant's termination of Continuous Service.

(c) **Other Awards.** Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Subordinate Voting Shares, including the appreciation in value thereof, may be granted either alone or in addition to Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan and subject to the Canadian Securities Laws, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of Subordinate Voting Shares (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards, provided that the exercise or strike price of such Other Awards is not less than 100% of the Fair Market Value of the Subordinate Voting Shares.

## 7. COVENANTS OF THE COMPANY.

(a) **Availability of Shares.** The Company will keep available at all times the number of Subordinate Voting Shares reasonably required to satisfy then-outstanding Awards.

(b) **Compliance with Laws.** The Company will use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell Subordinate Voting Shares on exercise of the Awards. However, this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Subordinate Voting Shares issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Subordinate Voting Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Subordinate Voting Shares on exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Subordinate Voting Shares pursuant to the Award if such grant or issuance would be in violation of any applicable law.

(c) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award.

Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

## 8. MISCELLANEOUS.

(a) **Use of Proceeds from Sales of Subordinate Voting Shares.** Proceeds from the sale of Subordinate Voting Shares pursuant to Awards will constitute general funds of the Company.

(b) **Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. If the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c) **Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Subordinate Voting Shares subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms, and (ii) the issuance of the Subordinate Voting Shares subject to such Award has been entered into the books and records of the Company.

(d) **No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer on any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted, or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) **Change in Time Commitment.** If a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee, or if the Participant goes on a leave of absence other than ordinary course vacation and sick days) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (and without the need to seek or obtain the consent of the affected Participant) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) **Incentive Stock Option Limitations.** If the aggregate Fair Market Value (determined at the time of grant) of Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 or such other limit established in the Code or if an

Option grant otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, despite any contrary provision of the applicable Option Agreement(s).

(g) **Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Subordinate Voting Shares under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters, and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and as to the Participant's capability of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Subordinate Voting Shares subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Subordinate Voting Shares. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares on the exercise or acquisition of Subordinate Voting Shares under the Award has been registered under a then currently effective registration statement under the Securities Act and any other applicable foreign securities laws, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, on advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Subordinate Voting Shares.

(h) **Withholding Obligations.** Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding Subordinate Voting Shares from the Subordinate Voting Shares issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement. If Subordinate Voting Shares are withheld to satisfy tax obligations, such shares will be deemed issued and then immediately tendered to the Company and no Subordinate Voting Shares will be withheld for these purposes to the extent they have a value exceeding the greater of (x) the minimum amount of tax required to be withheld by law and (y) the amount of tax required to be withheld under the Participant's then-current lawful withholding election, but in all cases, not more than the maximum amount that avoids classification of the Award as a liability for financial accounting purposes. For clarity, no partial shares will be withheld, and the Participant must satisfy the tax obligation related to any such partial share using another permitted form of payment.

(i) **Electronic Delivery.** Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically (filed publicly at [www.sec.gov](http://www.sec.gov) or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) **Deferrals.** To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Subordinate Voting Shares or the payment of cash, on the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A. Consistent with Section 409A, the Board may provide for

distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) **Compliance with Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. If an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement, with the permitted distribution events and timing being the earlier of the date of termination of Continuous Service and the date of a Change in Control. However, and unless the Award Agreement specifically provides otherwise, if the Subordinate Voting Shares are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(l) **Non U.S. Participants.** To facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms or procedures for awards to Participants who are employed by the Company or any Affiliate outside of the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy, custom securities or exchange control laws. Moreover, the Board may approve such supplements to or amendments of this Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan.

(m) **Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Subordinate Voting Shares or other cash or property on the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

**9. ADJUSTMENTS ON CHANGES IN SUBORDINATE VOTING SHARES; OTHER CORPORATE EVENTS.**

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan as the Share Reserve, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c) and (iii) the class(es) and number of securities and price per share subject to outstanding Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding Subordinate Voting Shares not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Subordinate Voting Shares subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company despite the fact that the holder of such Award is providing Continuous Service. However, the Board may, in its sole discretion, cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Change in Control.** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, and despite any other provision of the Plan, the Board may take one or more of the following actions with respect to Awards, contingent on the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar stock award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Subordinate Voting Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) immediately prior to the effective time of the Change in Control;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award on a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, on the date that is five days prior to the effective date of the Change in Control); or

(v) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal



to the excess, if any, of (A) the value of the property the Participant would have received on the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise, in consideration for the termination of such Award at or immediately prior to the closing. For clarity, this payment may be zero if the fair market value of the property is equal to or less than the exercise price.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award. Only to the extent permitted under Code Section 409A may the Board provide that payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Subordinate Voting Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or other contingencies. In addition, the Board may provide that such payments made over time will remain subject to substantially the same vesting schedule as the Award, including any performance-based vesting metrics that applied to the Award immediately prior to the closing of the Change in Control. An Award may be subject to additional acceleration of vesting and exercisability in connection with a Change in Control as may be provided in the Award Agreement for such Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur. The Board may require that any award, cash or property paid in consideration for a cancelled or exchanged Award be subject to the same terms and conditions (including earn out, escrow or milestone payments) as apply to the consideration paid to the Company's stockholders in the deal, but only if doing so would not result in adverse tax penalties under Section 409A.

#### **10. TERM, TERMINATION AND SUSPENSION OF THE PLAN.**

The Board may suspend or terminate the Plan at any time, provided that any such suspension or termination of the Plan or an Award will be in compliance with the Canadian Securities Laws. This Plan shall be submitted for shareholder approval every three (3) years in accordance with the Canadian Securities Laws. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

#### **11. AMENDMENT**

The Board may amend, alter, suspend, discontinue or terminate the Plan and/or amend any outstanding Award at any time without shareholder approval (unless shareholder approval is required under Canadian Securities Laws) for the following reasons: (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (C) to clarify the manner of exemption from, or to bring the Award into compliance with Section 409A, (D) to correct clerical or typographical errors, (E) to make amendments of a housekeeping nature, (F) to make an addition of or a change to vesting provisions of a security of the Plan, (G) to make a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date, or (H) to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or requirements of an applicable securities exchange), and any other applicable laws, including Canadian Securities Laws or listing requirements; *provided* that no such amendment, alteration, suspension, discontinuation or termination may adversely affect Awards then outstanding without the Award holder's permission.

**12. EFFECTIVE DATE OF THE PLAN.**

This Plan became effective on the Effective Date.

**13. CHOICE OF LAW.**

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

**14. DEFINITIONS.** As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "**Acquired Entity**" means a corporation or other entity that is acquired by the Company or an Affiliate, or which becomes an Affiliate, pursuant to a merger, consolidation, stock purchase, asset purchase or similar transaction.

(b) "**Acquired Entity Awards**" has the meaning set forth in Section 3(d).

(c) "**Affiliate**" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(d) "**Award**" means (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Awards.

(e) "**Award Agreement**" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

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

(g) "**Canadian Securities Laws**" means all applicable securities laws of Canada and the rules and requirements of the ~~NEO~~ Canadian Securities Exchange and/or any other applicable securities exchange.

(h) "**Capitalization Adjustment**" means any change that is made in, or other events that occur with respect to, the Subordinate Voting Shares subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). However, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(i) "**Cause**" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony, (ii) such Participant's commission of a crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof that is reasonably likely to result in material adverse effects on the Company; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (v) such Participant's gross misconduct that is reasonably likely to result in material adverse effects on the Company. The determination that a termination of the Participant's Continuous Service is either for Cause or without

Cause will be made by the Board, in its sole discretion. Any determination by the Board that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect on any determination of the rights or obligations of the Company or such Participant for any other purpose.

(j) "**Change in Control**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. However, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because the level of Ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding. However, if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction, or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; or

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition.

However, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement. If necessary for compliance with Code Section 409A, no transaction will be a Change in Control unless it is also a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "**Change in Control**" to

conform to the definition of "*Change in Control*" under Section 409A of the Code, and the regulations thereunder.

(k) "**Code**" means the United States Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l) "**Committee**" means a compensation committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(m) "**Company**" means **Jushi Holdings Inc.**, a company incorporated under the laws of British Columbia.

(n) "**Consultant**" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services, in either case, only if such person satisfies the requirements to be a consultant for purposes of Rule 701.

(o) "**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service. If the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. If permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer of the Company, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. However, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant or as otherwise required by law. In addition, if required for exemption from or compliance with Section 409A of the Code, the determination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "*separation from service*" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(p) "**Director**" means a member of the Board.

(q) "**Disability**" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(r) "**Effective Date**" means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's stockholders and (ii) the date this Plan is adopted by the Board.

(s) "**Employee**" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to

be considered an "Employee" for purposes of the Plan.

(t) "**Entity**" means a corporation, partnership, limited liability company or other entity.

(u) "**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(v) "**Exchange Act Person**" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary, (ii) any employee benefit plan of the Company or any Subsidiary or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the date of determination, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(w) "**Fair Market Value**" means, as of any date, the value of the Subordinate Voting Shares determined as follows:

(i) Unless otherwise determined by the Board, if the Subordinate Voting Shares are listed or quoted on the ~~NEO-Canadian Securities Exchange~~ or a national or regional securities exchange or quotation system, the Fair Market Value of a Subordinate Voting Share will be the closing price of a Subordinate Voting Share as quoted on the ~~NEO-Canadian Securities Exchange~~ or national or regional securities exchange or quotation system with the greatest volume of trading in the Subordinate Voting Shares on the date of determination, or, if there is no closing sales price for the Subordinate Voting Shares on the date of determination, then the Fair Market Value will be the closing price on the last preceding date for which such quotation exists. Notwithstanding the foregoing, in the event that the Subordinate Voting Shares are listed on the ~~NEO-Canadian Securities Exchange~~, for the purposes of establishing the exercise price of any Awards, the Fair Market Value of all of the Subordinate Voting Shares shall not be lower than the greater of the closing of the market price of the Subordinate Voting Shares on the ~~NEO-Canadian Securities Exchange~~ on (a) the prior trading day, and (b) the date of grant of the Awards.

(ii) In the absence of such markets for the Subordinate Voting Shares, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

In determining the value of a share for purposes of tax reporting on the exercise, issuance or transfer of shares subject to Awards, fair market value may be calculated using the definition of Fair Market Value, the actual sales price in the transaction at issue (e.g., "*sell to cover*"), or such other value determined by the Company's general counsel or principal financial officer in good faith in a manner that complies with applicable tax laws.

(x) "**Fully Converted Number of Shares**" has the meaning set forth in Section 3(a).

(y) "**Good Reason**" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such term means, with respect to a Participant, the Participant's

resignation from all positions he or she then-holds with the Company following: (i) a reduction in the Participant's base salary of more than 10% or (ii) the required relocation of Participant's primary work location to a facility that increases his or her one-way commute by more than 50 miles, in either case, only if (x) Participant provides written notice to the Company's Chief Executive Officer within 30 days following such event identifying the nature of the event, (y) the Company fails to cure such event within 30 days following receipt of such written notice and (z) Participant's resignation is effective not later than 30 days thereafter.

(z) "**Incentive Stock Option**" means an option granted under the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(aa) "**Multiple Voting Shares**" means the multiple voting shares of the Company.

(bb) "~~NEO Exchange~~" means the Neo Exchange Inc.

(cc) "**Nonstatutory Stock Option**" means any option granted under the Plan that does not qualify as an Incentive Stock Option.

(dd) "**Officer**" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ee) "**Option**" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase Subordinate Voting Shares granted pursuant to the Plan.

(ff) "**Other Award**" means an award based in whole or in part by reference to the Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(c).

(gg) "**Own**", "**Owned**", "**Owner**", "**Ownership**" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(hh) "**Participant**" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(ii) "**Permitted Transferee**" has the meaning set forth in Section 8(n).

(jj) "**Plan**" means this Jushi Holdings Inc. 2019 Equity Incentive Plan.

(kk) "**Restricted Stock Award**" means an award of Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(a).

(ll) "**Restricted Stock Unit Award**" means a right to receive Subordinate Voting Shares which is granted pursuant to the terms and conditions of Section 6(b).

(mm) "**Rule 405**" means Rule 405 promulgated under the Securities Act.

(nn) "**Rule 701**" means Rule 701 promulgated under the Securities Act.

(oo) "**Section 409A**" means Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect.

(pp) "**Securities Act**" means the United States Securities Act of 1933, as amended.

(qq) "**Share Reserve**" has the meaning set forth in Section 3(a).

(rr) "**Stock Appreciation Right**" or "**SAR**" means a right to receive the appreciation on Subordinate Voting Shares that is granted pursuant to the terms and conditions of Section 5.4.

(ss) "**Subordinate Voting Shares**" means the subordinate voting shares of the Company.

(tt) "**Subsidiary**" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

(uu) "**Substitute Awards**" has the meaning set forth in Section 3(d).

(vv) "**Super Voting Shares**" means the super voting shares of the Company.

(ww) "**Ten Percent Stockholder**" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

(xx) "**Treasury Regulations**" means the final or temporary regulations that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

## APPENDIX “C”

### ADVANCE NOTICE POLICY RESOLUTION

BE IT RESOLVED, WITH OR WITHOUT AMENDMENT, AS A SPECIAL RESOLUTION, THAT:

1. The Advance Notice Policy of Jushi Holdings Inc. (the “**Corporation**”), as approved by the Corporation’s board of directors on August 9, 2019 and attached as Appendix “D” to the management information circular of the Corporation dated May 4, 2020 (the “**Information Circular**”), be and hereby is approved and adopted.
2. The making, on or prior to the date hereof, of any other amendments to the Advance Notice Policy as the Corporation may consider necessary or advisable to satisfy the requirements of any stock exchange or professional commentators on advance notice policies in order to conform the Advance Notice Policies to versions of advance notice policies currently prevalent for reporting issuers in Canada be and hereby is approved.
3. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.



**APPENDIX "D"**  
**ADVANCE NOTICE POLICY**

**ADVANCE NOTICE POLICY**  
**(Adopted by the Board of Directors of Jushi Holdings Inc. (the “Corporation”) with  
immediate effect on August 8, 2019)**

**INTRODUCTION**

The purpose of this Advance Notice Policy (the “**Policy**”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Policy fixes a deadline by which registered or beneficial owners of the Subordinate Voting Shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders, and sets forth the information to be provided and other procedures to be followed, in respect of such nomination.

It is the position of the Corporation that this Policy is in the best interests of the Corporation. This policy will be subject to periodic review, and subject to the Act (as defined below), will reflect changes as required by securities regulatory authorities or stock exchanges and, at the discretion of the Board, amendments necessary to meet evolving industry standards.

**NOMINATION OF DIRECTORS**

1. Subject only to the *Business Corporations Act* (British Columbia) (the “**Act**”), applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this Policy shall be eligible for election as directors to the board of directors (the “**Board**”) of the Corporation. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:
  - (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of Act or a requisition of shareholders made in accordance with the provisions of the Act; or
  - (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in Section 3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this Policy.

2. For the avoidance of doubt, the foregoing Section 1 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

### TIMELY NOTICE

3. In addition to any other applicable requirement, for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the corporate secretary of the Corporation at the principal executive offices of the Corporation:
  - (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than the close of business on the thirtieth 30<sup>th</sup> day; provided, however, if the date (the "**Notice Date**") on which the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10<sup>th</sup> day following the Notice Date;
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting is made by the Corporation;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Section 3(a) or (b) above, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the fortieth (40<sup>th</sup>) day before the applicable meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the 10<sup>th</sup> day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15<sup>th</sup> day following the Notice Date.

4. To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with this Policy and disclose or include, as applicable:
  - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
    - (i) their name, age, business and residential address;
    - (ii) the principal occupation, business or employment both presently and for the past five years;
    - (iii) whether the Proposed Nominee is a "resident Canadian" within the meaning of the Act;

- (iv) whether the Proposed Nominee would qualify as a director where the Corporation and its subsidiaries operate and expects to continue to operate in regulated businesses requiring, among other things, satisfactory background checks, legible fingerprints and disclosure of certain personal information.
  - (v) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, 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;
  - (vi) a description of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder, in connection with the Proposed Nominee's nomination and election as director; and
  - (vii) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law;
- (b) as to each Nominating Shareholder giving the notice:
- (i) their name, business and residential address;
  - (ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, 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;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
  - (iv) full particulars of any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board; and

- (v) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.
5. Reference to “Nominating Shareholder” in this Section 5 shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.
  6. Any notice, or other document or information required to be given to the corporate secretary pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the corporate secretary for purposes of this notice), and shall be deemed to have been received and made only at the time it is served by personal delivery to the corporate secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

#### **ADDITIONAL MATTERS**

7. The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Policy, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
8. Despite any other provision of this Policy, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination of the Proposed Nominee, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.
9. The board may, in its sole discretion, waive any requirement of this Policy.
10. For the purposes of this Policy, “public announcement” means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
11. This Policy is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this Policy, the provision of the Act or the articles will govern.

**APPENDIX “E”**  
**ARTICLES AMENDMENT RESOLUTION**

BE IT RESOLVED, WITH OR WITHOUT AMENDMENT, AS A SPECIAL RESOLUTION, THAT:

1. The articles of the Corporation (the “**Articles**”) are hereby amended by adding the following section 28.1 after section 27.11 of the Articles:

**“28.1 Forum for Adjudication of Certain Disputes.**

Unless the Corporation consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom (collectively, the “**Courts**”) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation, (iii) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act* or the notice of articles or articles of the Corporation (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Corporation or such affiliates.

If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the Province of British Columbia (a “**Foreign Action**”) in the name of any registered or beneficial shareholder, such registered or beneficial shareholder shall be deemed to have consented to (i) the personal jurisdiction of the Courts in connection with any action brought in any such Court to enforce the foregoing exclusive forum provision (an “**Enforcement Action**”), and (ii) having service of process made upon such registered or beneficial shareholder in such Enforcement Action by service upon such registered or beneficial shareholder’s counsel in the Foreign Action as agent of the shareholder.”

2. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**APPENDIX "F"**

**AUDIT COMMITTEE CHARTER**

## **JUSHI HOLDINGS INC.**

### **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

#### **1. Purpose of this Charter**

The Audit Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Jushi Holdings Inc. (“**Jushi**”). The Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. This Charter shall govern the operations of the Committee.

The Committee’s primary duties and responsibilities are to:

- (a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- (b) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- (c) review the interim and annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and in the case of the annual financial statements and related management’s discussion and analysis, report thereon to the Board for approval of same;
- (d) select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- (e) provide oversight of all disclosure relating to, and information derived from, financial statements and management’s discussion and analysis.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

#### **2. Authority of the Audit Committee**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;



- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors of the Company.

### 3. Composition and Meetings

- (a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
- (b) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), any exchange upon which the securities of the Company are listed, the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities. Each of the members of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Company's financial statements.
- (c) Each member of the Committee shall serve at the pleasure of the Board. The Committee shall report to the Board.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum is not present, the quorum for the adjourned meeting shall consist of the members then present (a "**Reduced Quorum**").
- (f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or a Reduced Quorum is present in respect of a specific Committee meeting.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other means of communication, by giving at least 48 hours' notice, provided that no notice of a

meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for the purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (j) Any director of the Company may attend meetings of the Committee, and the Committee may invite such officers and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary.
- (l) The Committee members will be appointed annually at the first meeting of the Board following the annual general meeting of shareholders.
- (m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

#### 4. Responsibilities

- (a) Financial Accounting and Reporting Process and Internal Controls
- i. The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Company's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Company. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.
  - ii. The Committee shall review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
  - iii. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and annual and interim financial press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Company.
  - iv. The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company (including before the Company publicly discloses this information).
  - v. The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
  - vi. The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.

- vii. The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- viii. The Committee shall be responsible for monitoring compliance with the Company's Code of Conduct and Business Ethics;
- ix. The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;
- x. The Committee is responsible for creating a confidential and anonymous process whereby persons can report any concerns regarding matters which the complainant views to be illegal, unethical or contrary to the Company's policies;
- xi. The Committee shall periodically review and make recommendations regarding the Whistleblower Policy and any other policies adopted by the Board;
- xii. The Committee shall follow procedures established as set out in the Company's Whistleblower Policy, for:
  - 1. the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations to the Company's Code of Business Conduct and Ethics; and
  - 2. the submission by employees, consultants, contractors, directors or officers of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Company's Code of Business Conduct and Ethics.
- xiii. The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the Chief Financial Officer to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Company; and
- xiv. The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

(b) **External Auditors**

- i. The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
- ii. The Committee shall ensure that procedures are in place to assess the audit activities of the external auditors and the internal audit functions.

- iii. The pre-approval of the Committee shall be required as further set out in Schedule “C” prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- iv. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- v. The Committee shall review the external auditors’ audit plan, including the scope, procedures and timing of the audit.
- vi. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- vii. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors’ preferred treatment and material written communications between the Company and the external auditors.
- viii. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- ix. The Committee shall review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- x. The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

(c) **Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

**5. Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board.

**6. Access to Information**

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by members of the Committee.

**7. No Rights Created**

This Charter is a broad policy statement and is intended to be part of the Committee’s flexible governance framework. While the Charter should comply with all applicable laws, regulations and

listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company. The terms of this Charter are not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may, from time to time, and to the extent permitted by applicable law, permit departures from the terms of this Charter, either prospectively or retrospectively.

## **8. Oversight Function**

It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with applicable accounting standards, as applicable, and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, however, will consider whether these annual financial statements are complete, consistent with information known to the members of the Committee, and reflect appropriate accounting principles.

The role of the Committee is to provide broad oversight of the financial, risk and control related activities of the Company and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member of the Committee as having accounting or related financial expertise for disclosure purposes is based that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member of the Committee who is identified as having accounting or related financial expertise, like the role of all members of the Committee, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

## **9. Approval**

Approved by the Board on August 8, 2019.

## **SCHEDULE “A”**

### **JUSHI HOLDINGS INC.**

#### **POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE**

##### **1. PURPOSE**

The Chair of the Committee shall be an independent director who is selected by the Board or designated by a majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company.

##### **2. WHO MAY BE CHAIR**

The Chair will be selected from amongst the members of the Committee. For greater certainty, the Chair shall be “independent” and “financially literate” as defined in National Instrument 52-110 – *Audit Committees*.

The Chair will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by a majority vote of the Committee.

##### **3. RESPONSIBILITIES**

The following are the primary responsibilities of the Chair:

- a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- b) oversee adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;
- c) provide leadership to the Committee to enhance the Committee’s effectiveness, including:
  - i) act as liaison and maintain communication with the Board to coordinate input from directors and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
  - ii) oversee the Committee’s lines of communication with the independent auditors, financial and senior management and the Board for financial and control matters with the goal of achieving open lines of communication and the Committee working as a cohesive team;
  - iii) take steps necessary to ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;

- iv) take all necessary actions to maintain an independent and objective Committee to monitor the Company's financial reporting process and internal control systems, as well as to monitor the relationship between the Company and the independent auditors to ensure independence;
  - v) oversee the establishment of Committee procedures to assess the audit activities of the independent auditors and the internal audit functions; and
  - vi) oversee the establishment of Committee procedures to review the Company's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Company;
- d) oversee the establishment of Committee procedures for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- e) manage the Committee, including:
- i) adopt procedures so that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - ii) prepare the agenda of the Committee meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - iii) ensure Committee meetings are appropriate in terms of frequency, length and content;
  - iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arrange meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
  - v) oversee the Committee's participation in the Company's accounting and financial reporting process and the audits of its financial statements;
  - vi) ensure that the auditors' report directly to the Committee, as representatives of the Company's shareholders;
  - vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
  - viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
  - ix) oversee the Committee's work plan for the year and monitor progress at each meeting; and



- x) ensure Committee minutes are reviewed and approved.
- f) perform such other duties as may be delegated from time to time to the Chair of the Committee by the Board.

## SCHEDULE "B"

### JUSHI HOLDINGS INC.

#### NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

##### Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
  - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
  - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
  - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
  - (a) has previously acted as an interim chief executive officer of the issuer, or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

### **Section 1.5 — Additional Independence Requirements for Audit Committee Members**

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
  - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
  - (b) is an affiliated entity of the issuer or any of its subsidiary entities,

is considered to have a material relationship with the issuer.

- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
  - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
  - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

## **SCHEDULE “C”**

### **JUSHI HOLDINGS INC.**

#### **PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES**

1. The Company’s external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company’s accounting records or financial statements;
  - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (c) actuarial services;
  - (d) internal audit outsourcing services;
  - (e) management functions;
  - (f) human resources;
  - (g) broker or dealer, investment adviser or investment banking services;
  - (h) legal services; and
  - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Company’s accounting standards, from time to time determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Company’s external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.





