



# AYURCANN

**ANNUAL GENERAL AND SPECIAL MEETING**

**OF THE SHAREHOLDERS**

**OF**

**AYURCANN HOLDINGS CORP.**

**TO BE HELD ON WEDNESDAY, DECEMBER 20, 2023**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF AYURCANN HOLDINGS CORP. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY, DECEMBER 20, 2023.*

**TO BE HELD AT:**

**1 ADELAIDE STREET EAST, SUITE 801, TORONTO, ONTARIO M5C 2V9**

**AT 10:00 A.M. (TORONTO TIME)**

**DATED: NOVEMBER 20, 2023**



**AYURCANN HOLDINGS CORP.**  
1080 Brock Road, Unit 6  
Pickering, Ontario L1W 3H3

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING** of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Ayurcann Holdings Corp. (the “**Corporation**”) will be held at the offices of Garfinkle Biderman LLP, at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9, and broadcast via teleconference at (416) 874-8100, conference code 5640789 on Wednesday, December 20, 2023 at 10:00 a.m. (Toronto time) (the “**Meeting**”) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial years ended June 30, 2023 and 2022 and the auditor’s report thereon (the “**Annual Financial Statements**”);
2. to elect the directors of the Corporation for the ensuing year, as more particularly set forth in the accompanying proxy and management information circular dated November 20, 2023, prepared for the purpose of the Meeting (the “**Circular**”);
3. to re-appoint Clearhouse LLP as the auditors of the Corporation for the ensuing year and to authorize the audit committee of the board of directors of the Corporation to fix the auditor’s remuneration, as more particularly set forth in the Circular;
4. to consider, and if thought fit, to pass an ordinary resolution of disinterested Shareholders, the full text of which is included in the Circular, authorizing and approving the issuance of the Future Shares (as such term is defined in the Circular) which will result in certain persons becoming new Control Persons of the Corporation and would therefore Materially Affect Control (as such terms are defined in the policies of the Canadian Securities Exchange (the “**CSE**”) of the Corporation, as required pursuant to the policies of the CSE;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of disinterested Shareholders ratifying the repeal and replacement the Corporation’s current stock option plan (the “**Existing Option Plan**”) and restricted share unit plan with the adoption of the proposed equity incentive plan for the Corporation (the “**Proposed Equity Incentive Plan**”), as more particularly set forth in the Circular;
6. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of disinterested Shareholders re-approving the Existing Option Plan, in the event that the Proposed Equity Incentive Plan does not receive the required approval of disinterested Shareholders at the Meeting, as more particularly set forth in the Circular; and
7. to transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

This notice of meeting (this “**Notice of Meeting**”) should be read together with the Circular and form of proxy (the “**Form of Proxy**”) or voting instruction form (“**VIF**”), as applicable.

The Circular and all additional materials have been posted under the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). **Shareholders are reminded to carefully review the Circular and any additional materials prior to voting on the matters being transacted at the Meeting.** Copies of: (i) this Notice of Meeting; (ii) the Circular; (iii) the Form of Proxy and VIF; and (iv) the Annual Financial Statements and accompanying management’s discussion and analysis, may be obtained free of charge by contacting Odyssey Trust Company at 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8. In order to ensure that a paper copy of the Circular and additional materials can be delivered to a Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy (or a

VIF) prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than December 2, 2023.

Shareholders may attend the Meeting in person, by teleconference, or may be represented by proxy. Shareholders unable to attend the Meeting or any adjournment(s) thereof in person are requested to date, sign and return the enclosed Form of Proxy to the Corporation's registrar and transfer agent, Odyssey Trust Company, located at 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8. To be effective, a proxy must be received not later than 10:00 a.m. (Toronto time) on December 18, 2023, or in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) immediately preceding any adjournment(s) or postponement(s) thereof.

While as of the date of this Notice of Meeting, the Corporation intends to hold the Meeting in a physical face-to-face format, the Corporation is continuously monitoring the current COVID-19 outbreak. In light of the evolving news, guidelines and requirements related to COVID-19, the Corporation asks that, in considering whether to attend the Meeting in person, Shareholders and proxyholders follow, among other things, the instructions of the Public Health Agency of Canada and any applicable additional provincial and local instructions, guidelines and requirements. All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described in the Circular, the Form of Proxy or VIF, as provided by an intermediary.

The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including, if the Corporation considers it necessary or advisable, providing a webcast version of the Meeting and/or hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of a press release. Please monitor the Corporation's press releases for updated information. The Corporation advises you to check the Corporation's SEDAR+ profile for the latest press releases one week prior to the Meeting date for the most current information. The Corporation does not intend to prepare or mail an amended notice and/or Circular in the event of changes to the Meeting date or format.

The board of directors of the Corporation has fixed the close of business on November 20, 2023 as the record date (the "**Record Date**") for the determination of the Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment(s) or postponement(s) thereof. Only Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at their discretion. The Chairman is under no obligation to accept or reject any late proxy. Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a VIF.

**DATED** at Pickering, Ontario, this 20<sup>th</sup> day of November 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Igal Sudman*

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Igal Sudman

*Chairman, Chief Executive Officer and Corporate Secretary*

**AYURCANN HOLDINGS CORP.**  
1080 Brock Road, Unit 6  
Pickering, Ontario L1W 3H3

**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

This management information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Ayurcann Holdings Corp. (the “**Corporation**” or “**we**”) to be voted at the annual general and special meeting of holders of common shares (“**Common Shares**”) of the Corporation (the “**Shareholders**”) to be held at the offices of the Corporation’s legal counsel Garfinkle Biderman LLP, located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9 and broadcast via teleconference at (416) 874-8100, conference code 5640789 on Wednesday, December 20, 2023, at 10:00 am (Toronto time), and at any adjournment(s) or postponement(s) thereof (the “**Meeting**”).

In this Circular, (i) all information provided is current as of November 20, 2023, unless otherwise indicated, (ii) references to “\$” are to Canadian dollars, (iii) “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name, and (iv) “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

This Circular is furnished in connection with the solicitation, by or on behalf of the management of the Corporation, of proxies to be used at the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers and employees of the Corporation without special compensation, or by the Corporation’s registrar and transfer agent, Odyssey Trust Company (the “**Transfer Agent**”), at nominal cost. Arrangements have been made with brokerage houses and other Intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the Beneficial Shareholders of record as of the Record Date (as defined below).

The Corporation will not cause its Transfer Agent to deliver copies of the proxy-related materials to the non-objecting Beneficial Owners and does not intend to pay for the Intermediaries to deliver to objecting Beneficial Owners the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”).

Any Shareholder who wishes to receive a paper copy of this Circular free of charge must contact the Transfer Agent at 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a form of proxy (the “**Form of Proxy**”) or voting instruction form (“**VIF**”), as applicable, prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than December 2, 2023.

While as of the date hereof, the Corporation intends to hold the Meeting in a physical face-to-face format, the Corporation is continuously monitoring the current COVID-19 outbreak. In light of the evolving news, guidelines and requirements related to COVID-19, the Corporation asks that, in considering whether to attend the Meeting in person, Shareholders and proxyholders follow, among other things, the instructions of the Public Health Agency of Canada and any applicable additional provincial and local instructions, guidelines and requirements. All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described in this Circular, the Form of Proxy or VIF, as provided by an Intermediary.

The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including, if the Corporation considers it necessary or advisable, providing a webcast version of the Meeting and/or hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of a press release. Please monitor the Corporation’s press releases for updated information. The Corporation advises you to check the Corporation’s SEDAR+ profile for the latest press releases one week prior to the Meeting date for the most current information. The Corporation does not intend to prepare or mail an amended

notice of Meeting and/or Circular in the event of changes to the Meeting date or format.

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Circular includes certain statements and information that constitute “forward-looking statements”, and “forward-looking information” under applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements appear in a number of places in this Circular and include statements and information regarding the intent, beliefs or current expectations of the Corporation’s officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements may relate to the Corporation’s future outlook and anticipated events or results and may include statements regarding the Corporation’s future business strategy, plans and objectives. The Corporation has based these forward-looking statements largely on its current expectations and projections about future events. These forward-looking statements were derived utilizing numerous assumptions, and while the Corporation considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, you are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Corporation assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Corporation updates any one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this Circular are expressly qualified in their entirety by this cautionary statement.

### REGISTERED SHAREHOLDERS

A Shareholder is a registered Shareholder (a “**Registered Shareholder**”) if shown on the register of holders of Common Shares at the close of business on November 20, 2023 (the “**Record Date**”). All references to Shareholders in this Circular, the Form of Proxy and notice of meeting (the “**Notice of Meeting**”) are to Registered Shareholders of record on the Record Date, unless specifically stated otherwise.

#### *Appointment of Proxy*

Regardless of whether you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still attend the Meeting. Please complete and return the Form of Proxy in the envelope provided. The Form of Proxy must be dated and executed by the Registered Shareholder or attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8 or online at <https://vote.odysseytrust.com>, **no later than 10:00 a.m. (Toronto time) on December 18, 2023, or 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) or postponement(s) thereof.**

**The persons named in the Form of Proxy are directors and officers of the Corporation. A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than those persons named in the Form of Proxy, to attend and act on such Shareholder’s behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by either inserting such other desired proxyholder’s name in the blank space provided on the Form of Proxy or by completing another proper form of proxy.**

### Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Shareholder or by the attorney of such Shareholder, duly authorized in writing, or if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either with: (i) the Transfer Agent, on or before the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the Form of Proxy is to be used, (ii) the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (iii) in any other manner permitted by law.

### **NON-REGISTERED SHAREHOLDERS**

Only Registered Shareholders or their duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares or a clearing agency or other securities Intermediary. More particularly, a person is not a Registered Shareholder if Common Shares are held on behalf of that person (the “**Non-Registered Shareholder**”) and are registered either: (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency, such as the Canadian Depository for Securities Limited, of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the proxy-related materials to the Transfer Agent for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward the proxy-related materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the proxy-related materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive proxy-related materials will either:

- (i) be given a Form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed. Because the Intermediary has already signed the Form of Proxy, the Form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the Form of Proxy. In this case, the Non-Registered Shareholder who wishes to submit an instrument of proxy should otherwise properly complete the Form of Proxy and deposit it with the Corporation as provided above; or
- (ii) more typically, be given a VIF which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one-page, pre-printed form. Sometimes, instead of the one-page, pre-printed form, the VIF will consist of a regular printed Form of Proxy accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the Form of Proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of management’s representatives named in the Form of Proxy and insert the Non-Registered Shareholder’s name in the blank space provided.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the VIFs or Forms of Proxy to the Non-

Registered Shareholders and asks the Non-Registered Shareholders to return the VIFs or Forms of Proxy to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions with respect to the voting of Common Shares to be represented at the Meeting by such Intermediary. A Non-Registered Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions with respect to the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

**Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Non-Registered Shareholders should carefully follow the instructions on the Form of Proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary.**

#### Revocation of Voting Instructions

A Non-Registered Shareholder giving voting instructions may revoke such voting instructions by contacting their Intermediary in respect of such voting instructions and complying with any applicable requirements imposed by such Intermediary. An Intermediary that has submitted a Form of Proxy based on voting instructions received from a Non-Registered Shareholder may not be able to revoke a Form of Proxy if it receives insufficient notice of revocation.

### VOTING OF PROXIES

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted FOR the approval of all resolutions in this Circular.**

**The Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.** As of the date of this Circular, management of the Corporation is not aware of any such amendments or any other matters to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the Form of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### VOTING OF COMMON SHARES AND PRINCIPAL SHAREHOLDERS THEREOF

#### Record Date

The Record Date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting has been fixed as November 20, 2023. All Shareholders of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder's name, at that date, on each matter to be acted upon at the Meeting.

#### Description of Voting Securities

As of the Record Date, the Corporation has 162,238,863 Common Shares issued and outstanding. Each Common Share carries the right to one vote. The outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "CSE").

No other voting securities are issued and outstanding as of the Record Date.



### Quorum

A quorum will be present at the Meeting if any two Shareholders holding 5% of the Common Shares entitled to vote at the Meeting, whether present in person or represented by proxy, are present at the opening of the Meeting.

### Principal Shareholders

Other than as described below, to the knowledge of the directors and executive officers of the Corporation, and based on the Corporation's review of the records maintained by the Transfer Agent, electronic filings with SEDAR+ and insider reports filed with System for Electronic Disclosure by Insiders ("SEDI"), as at the date of this Circular, no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares, on a non-diluted basis:

Name of Insider	Number of Common Shares	Percentage of Outstanding Common Shares <sup>(1)</sup>
Igal Sudman	29,305,424 <sup>(2)</sup>	18.06%
Roman Buzaker	29,013,142 <sup>(3)</sup>	17.88%
Tetra Oils Inc.	35,577,637	21.93%

#### Notes:

1. As at the date of this Circular, the Corporation had 162,238,863 Common Shares issued and outstanding.
2. Mr. Sudman holds 15,373,322 Common Shares through 2388765 Ontario Inc., an entity controlled by Mr. Sudman ("238 Ontario").
3. Mr. Buzaker holds 15,373,322 Common Shares through IIPAC Inc., an entity controlled by Mr. Buzaker ("IIPAC").

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

No (a) director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or (b) 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: (i) their respective appointment to the board of directors of the Corporation (the "Board"); (ii) Messrs. Sudman and Buzaker in respect of the approval of the issuance of the Future Shares; and (iii) each proposed nominee as eligible participants under each of the Equity Incentive Plan and Stock Option Plan (each as defined herein).

### PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

#### 1. Financial Statements

The audited consolidated financial statements of the Corporation for the years ended June 30, 2023 and 2022, together with the report of the auditors thereon (the "Annual Financial Statements"), are available under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). At the Meeting, the Corporation will submit to Shareholders the Annual Financial Statements. No formal action will be taken at the Meeting to approve the Annual Financial Statements.

#### 2. Election of Directors

The Corporation currently has five directors, and it is intended that such five directors be re-elected for the ensuing year. The Board has determined that a board of five members will continue to be effective in the governance and supervision of the Corporation's business and affairs for the ensuing year. The following five persons whose names are set out below (the "Nominees") have been nominated by the Board for election as directors at the Meeting.

The term of each of the Corporation's present directors expires at the close of the Meeting and unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (Ontario) ("OBCA") or removed in accordance with the by-laws of the Corporation, each director elected at the Meeting or any adjournment(s) or postponement(s) thereof will hold office until the conclusion of the next annual meeting of the Shareholders. Where directors fail to be elected at any such meeting of Shareholders, the incumbent directors shall continue in office until their successors are elected. The number of directors to be elected at any such meeting shall be the greater of the number (or the minimum number, as the case may be) of directors provided for in the Articles and the number of

directors then in office unless the directors or the Shareholders otherwise determine.

The following table sets forth the names and jurisdictions of residence of the Nominees for election as directors of the Corporation, the offices in the Corporation, if any, held by them, their principal occupations (for the past five years) and the number of Common Shares beneficially owned, or over which control or direction is exercised. If any such individual should be unable or unwilling to serve, an event not presently anticipated, the persons named in the Form of Proxy or VIF will have the right to vote, at their discretion, for another nominee, unless a proxy withholds authority to vote for the election of directors:

Name, Province / State, Country of Residence and Position with the Corporation	Present Principal Occupation If Different from Office Held <sup>(1)</sup>	Date Elected / Appointed	Common Shares Owned or Over Which Control or Direction is Exercised <sup>(2)(3)</sup>
<b>Igal Sudman</b> <sup>(4)(6)(7)</sup> <i>Chairman, Chief Executive Officer and Corporate Secretary</i> Ontario, Canada	Chief Executive Officer of Ayurcann Inc. (June 2018-Present)	March 26, 2021	29,305,424 (18.06%)
<b>Roman Buzaker</b> <sup>(5)(8)</sup> <i>President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director</i> Ontario, Canada	President and Chief Operating Officer of Ayurcann Inc. (June 2018-Present)	March 26, 2021	29,013,142 (17.88%)
<b>Maor Shayit</b> <sup>(4)(5)(6)</sup> <i>Director</i> Ontario, Canada	Director of Ayurcann Inc. (January 2020-Present); Chief Operating Officer at Weed Me Inc.	March 26, 2021	1,009,421 (0.62%)
<b>David Hackett</b> <sup>(4)(6)</sup> <i>Director</i> Ontario, Canada	Director of Ayurcann Inc. (January 2020-Present)	March 26, 2021	1,122,846 (0.69%)
<b>Alison Gordon</b> <sup>(5)</sup> <i>Director</i> Ontario, Canada	Director of Ayurcann Inc. (January 2020-Present)	March 26, 2021	1,009,421 (0.62%)

**Notes:**

- Information furnished by the respective Nominee.
- Voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly as of the date of this Circular. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Corporation. Information in the table above is derived from the Corporation's review of insider reports filed with SEDI and from information furnished by the respective Nominee.
- As at the date of this Circular, the Corporation had 162,238,863 Common Shares issued and outstanding.
- Member of the audit committee of the Corporation (the "**Audit Committee**"). Mr. Hackett is the chair of the Audit Committee.
- Member of the compensation committee of the Corporation (the "**Compensation Committee**"). Ms. Gordon is the chair of the Compensation Committee.
- Member of the corporate governance committee of the Corporation (the "**Governance Committee**"). Mr. Shayit is the chair of the Governance Committee.
- Mr. Sudman holds 15,373,322 Common Shares through 238 Ontario.
- Mr. Buzaker holds 15,373,322 Common Shares through IIPAC.

As of the Record Date, the directors and senior officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 61,460,254 Common Shares, representing approximately 37.88% of the issued and outstanding Common Shares.

**At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee. Unless the Shareholder directs that their Common Shares are to be withheld from voting in respect of any particular Nominee(s), the persons named in the Form of Proxy intend to vote FOR the election of each of the five Nominees as directors of the Corporation.**

The following are brief biographies of the Nominees:

*Igal Sudman – Chairman, Chief Executive Officer and Corporate Secretary*

Mr. Sudman is a business development specialist who brings over 20 years of experience in a range of industries from real estate development to technology and cannabis. Mr. Sudman understands the objectives and requirements needed to scale companies from seed to exit having founded and developed businesses which have been featured on the

Canadian Profit 50.

*Roman Buzaker – President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director*

Mr. Buzaker is a corporate strategist with specialty in management and operational engineering. He has experience in industries such as logistics, digital marketing, and consulting. Mr. Buzaker managed the expansion and the development of various online and brick and mortar companies from single location operations to multi-locational franchises nationwide.

*Maor Shayit – Director*

Mr. Shayit is a professional executive who brings over 15 years of experience in a wide range of industries from communications, and transportations, to beauty, and cannabis. Mr. Shayit has an extensive and successful experience in this emerging cannabis industry. As the Chief Operating Officer of Weed Me Inc., Mr. Shayit is responsible for developing and executing best practices in accordance with the regulator’s guidelines, to assure high quality product, increasing yields, and effective allocation of funds.

*David Hackett – Director*

Mr. Hackett brings more than 20 years of financial and management leadership. He has overseen the growth of a number of start-up companies, including dealing with operations, technology, regulatory reporting (in Canada and the United States of America), corporate governance, public financing (in Canada and the United States of America) and mergers and acquisitions activity. Mr. Hackett is a Certified Public Accountant and Chartered Accountant, and holds a Masters of Business Administration from the Richard Ivey School of Business at the Western University.

*Alison Gordon – Director*

A veteran of the cannabis industry, Ms. Gordon has worked in all verticals of this emerging market. As the Founder of 48North Cannabis Corp., Ms. Gordon was the first female Chief Executive Officer of public cannabis company. Ms. Gordon’s extensive network and profile in the industry has been a game changer for 48North Cannabis Corp. and the various companies that she advises.

*Cease Trade Orders*

As at the date of this Circular, no Nominee of the Corporation is, or was within 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade order (“CTO”), an order similar to a CTO or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (ii) was subject to a CTO, an order similar to a CTO or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director, executive officer or promoter 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.

*Penalties or Sanctions*

As at the date of this Circular, no Nominee of the Corporation, is or has been, within 10 years prior to the date of this Circular, subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory

authority or has entered into a settlement agreement with a securities regulatory authority; or

- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a Nominee.

### Bankruptcies

As of the date of this Circular, no Nominee of the Corporation:

- (i) is, at the date of this Circular, or has been within 10 years prior to the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (ii) has, within 10 years prior to the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

### 3. Re-Appointment of Auditor

Clearhouse LLP has acted as the Corporation’s auditor since March 26, 2021. At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, an ordinary resolution re-appointing Clearhouse LLP as the auditors of the Corporation, subject to such amendments, variations, or additions as may be approved at the Meeting.

The Board recommends that Shareholders vote for the re-appointment of Clearhouse LLP as auditors of the Corporation. To be effective, the resolution requires the affirmative vote of at least a majority of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. **Unless the Shareholder directs that their Common Shares are to be voted against the resolution, the persons named in the Form of Proxy intend to vote FOR the re-appointment of Clearhouse LLP as auditors of the Corporation.**

### 4. Approval of the issuance of the Future Shares

On July 28, 2022, the Corporation and some of its acting directors, officers and consultants (together, the “**Management Personnel**”) agreed that their aggregate quarterly management fee payment obligation, in the amount of \$83,750 (each, a “**Quarterly Payment**”), owing pursuant to certain employment and consulting agreements entered into between the Corporation and each of the Management Personnel would be settled in Common Shares on a go-forward basis, beginning September 30, 2022 (each a “**Quarterly Debt Settlement**”). Each Quarterly Payment is satisfied through the issuance of Common Shares calculated according to the greater of: (i) ten-day volume weighted average price of the Common Shares on the CSE ending on the quarter end date; (ii) the discounted market price pursuant to the policies of the CSE; and (iii) \$0.05. The Common Shares issuable on the completion of the respective Quarterly Debt Settlement are subject to a four month and one day hold period pursuant to the policies of the CSE and applicable securities laws.

To date, the Corporation and Management Personnel have completed five Quarterly Debt Settlements. As of the date hereof, two of the Management Personnel, namely Messrs. Sudman and Buzaker, each hold 29,305,424 and 29,013,142 Common Shares representing 18.06% and 17.88% of the issued and outstanding Common Shares on a non-diluted and partially diluted basis, respectively, as more particularly set out below:

Before Completion of the Debt Settlements		
Name of Insider	Number of Common Shares	Percentage of Outstanding Common Shares <sup>(1)</sup>
Igal Sudman	29,305,424 <sup>(2)</sup>	18.06%
Roman Buzaker	29,013,142 <sup>(3)</sup>	17.88%

**Notes:**

1. As at the date of this Circular, the Corporation had 162,238,863 Common Shares issued and outstanding, excluding voting securities issuable upon the exercise of options, warrants or other convertible securities of the Corporation.
2. Mr. Sudman holds 15,373,322 Common Shares through 238 Ontario.
3. Mr. Buzaker holds 15,373,322 Common Shares through IIPAC.

Although each prior and future Quarterly Debt Settlement, constituted and would constitute a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”) due to the involvement of the Management Personnel, and would’ve required and would require the Corporation to receive minority Shareholder approval for, and obtain a formal valuation for the subject matter of, the transaction in accordance with MI 61-101, prior to the completion of such transaction, in completing the Quarterly Debt Settlements, and for each future Quarterly Debt Settlement, the Corporation has and would continue to rely on, if still available, exemptions from the formal valuation and the minority Shareholder approval requirements of MI 61-101. Notwithstanding the foregoing, the Corporation anticipates that (each, a “**Transaction**”): (x) it will continue to complete Quarterly Debt Settlements, which would include future issuances of Common Shares (each a “**Future Share**”) to each of Messrs. Sudman and Buzaker; and/or (y) may complete future private placements which Messrs. Sudman and/or Buzaker may or may not participate in, resulting in the issuance of Future Shares to Messrs. Sudman and/or Buzaker.

Pursuant to the policies of the CSE, a future Transaction would be subject to prior approval from the disinterested Shareholders if the consummation of the then Transaction would result in either of Igal Sudman and Roman Buzaker becoming new Control Persons of the Corporation, therefore Materially Affecting Control (as such terms are defined in the policies of the CSE) of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution of disinterested Shareholders (the “**Transaction Resolution**”), with or without amendment, to approve the issuance of the Future Shares to each of Messrs. Sudman and/or Buzaker, which may result in the creation of one or more Control Persons of the Corporation, therefore, Materially Affecting Control (as such terms are defined in the policies of the CSE) of the Corporation.

**Shareholder Approval Requirement**

Pursuant to section 4.6(2)(a)(iv) of CSE Policy 4, the CSE requires Shareholder approval for a proposed securities offering if the listed issuer or CSE otherwise determines that the transaction will Materially Affect Control of the Corporation.

Shareholder approval of the Transaction Resolution on a disinterested Shareholder basis means that the votes attached to any Common Shares held by Messrs. Sudman and Buzaker will be excluded.

Accordingly, disinterested Shareholders will be asked to consider and, if thought advisable, to pass the following Transaction Resolution at the Meeting:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the future issuance of common shares of the Corporation to each of Messrs. Sudman and Buzaker, which may result in the creation of one or more Control Persons of the Corporation, therefore, Materially Affecting Control (as such terms are defined in the policies of the CSE) of the Corporation, as more particular set out in the management information circular of the Corporation dated November 20, 2023, is hereby authorized and approved.
2. any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination.”

Disinterested Shareholders may vote **FOR** or **AGAINST** the Transaction Resolution. If the Transaction Resolution is not approved, the Corporation will not proceed with a future Transaction that would result in the issuance of Future Shares to either of Mr. Sudman and/or Mr. Buzaker that would result in the Transaction Materially Affecting Control of the Corporation. In order for the Transaction Resolution to be effective, it must be approved by a resolution passed by a majority of the votes cast by disinterested Shareholders present in person or represented by proxy at the Meeting.

**Management of the Corporation recommends that disinterested Shareholders vote IN FAVOUR of the Transaction Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Transaction Resolution at the Meeting.**

## **5. Approval of the Equity Incentive Plan**

Effective November 20, 2023, the Board adopted an equity incentive plan for the Corporation (the “**Equity Incentive Plan**”), subject to, and effective upon, the approval of disinterested Shareholders at the Meeting, or any adjournment or postponement thereof (the “**Effective Date**”). The Equity Incentive Plan is intended to replace the stock option plan of the Corporation (the “**Stock Option Plan**”) and restricted share unit award plan of the Corporation (the “**RSU Plan**”) and together with the Stock Option Plan, the “**Predecessor Plans**”). As at the date hereof, there are 1,243,546 Common Shares reserved for issuance pursuant to stock options (“**Options**”) issued under the Stock Option Plan (the “**Predecessor Options**”) and there are Nil Common Shares reserved for issuance pursuant to restricted share units (“**RSUs**”) issued under the RSU Plan (the “**Predecessor RSUs**”). If Shareholders approve the Equity Incentive Plan, it will become effective on the Effective Date for a period of three years and no further awards will be granted under the Predecessor Plans. The policies of the CSE require that the Corporation obtain Shareholder approval of the Equity Incentive Plan every three years.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass with or without variation, an ordinary resolution in the form set out below (the “**Equity Incentive Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the Equity Incentive Plan.

National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Corporation is listed on the CSE, the Corporation is classified as an “unlisted reporting issuer” for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors and consultants of the Corporation (the “**Exemption**”). NI 45-106 restricts the use of the Exemption by “unlisted reporting issuers” such as the Corporation unless the Corporation obtains Shareholder approval. Specifically, NI 45-106 provides that the Exemption does not apply to a distribution to an employee or consultant of the “unlisted reporting issuer” who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person, exceeds 5% of the outstanding securities of the issuer, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term “related person” is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term “permitted assign” includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the Equity Incentive Plan so that the Shareholders may form a reasoned judgment concerning the Equity Incentive Plan. A summary of the key terms of the Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the Equity Incentive Plan. A copy of the Equity Incentive Plan is attached as Schedule “B” hereto.

### ***Background and Purpose***

The Equity Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of RSUs and performance share units (“PSUs”), as described in further detail below. Provided that the Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the Equity Incentive Plan.

The purpose of the Equity Incentive Plan is to, among other things, provide the Corporation with a share related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Corporation and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the Equity Incentive Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such directors, employees and consultants to acquire Common Shares as long-term investments and proprietary interests in the Corporation.

### ***Key Terms of the Equity Incentive Plan***

#### ***Common Shares subject to the Equity Incentive Plan***

The Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the Equity Incentive Plan, shall not exceed 20% of the Corporation’s issued and outstanding Common Shares from time to time, such number being 162,238,863 as at November 20, 2023 and as of the Record Date. The Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

#### ***Participation Limits***

The Equity Incentive Plan also provides that the aggregate number of Common Shares: (a) issuable to insiders at any time (under all of the Corporation’s security-based compensation arrangements) cannot exceed 10% of the Corporation’s issued and outstanding Shares; (b) issued to persons performing investor relations services within any one year period (under all of the Corporation’s security-based compensation arrangements) cannot exceed 2% of the Corporation’s issued and outstanding Common Shares; and (c) issued to insiders within any one year period (under all of the Corporation’s security-based compensation arrangements) cannot exceed 10% of the Corporation’s issued and outstanding Common Shares.

Any Common Shares issued by the Corporation through the assumption or substitution of outstanding Options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

#### ***Administration of the Equity Incentive Plan***

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the Board, and is initially the Compensation Committee. The Equity Incentive Plan may in the future continue to be administered by the Compensation Committee or delegated to another committee of the Board or administered by the Board itself. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable

pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

#### Eligibility

All directors, employees and consultants are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

#### Types of Awards

Awards of RSUs and PSUs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Shares issued pursuant to awards.

#### RSUs

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

#### PSUs

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant’s service and the amount of any payment or



transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

*Dividend Equivalents*

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and Deferred Share Units (“**DSUs**”) shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

*Black-out Periods*

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

*Term*

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Corporation. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

*Termination of Employment or Services*

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant’s applicable employment agreement, award agreement or other written agreement:

<b><u>Event</u></b>	<b><u>Provisions</u></b>
<b>Termination for Cause / Resignation</b>	Any award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
<b>Termination without Cause</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator

	of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest.
<b>Disability</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of disability and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled within 90 days after the Termination Date.
<b>Death</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of death multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of death and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled with the participant's beneficiary or legal representative (as applicable) within 90 days after the date of the participant's death.
<b>Retirement</b>	(i) a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of retirement multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of retirement and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, and (ii) any outstanding award that vests based on the achievement of Performance Goals (as defined in the Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested award that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Corporation or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries.

Change in Control

Under the Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause (as defined in the Equity Incentive Plan), without any action by the Plan Administrator:
  - (i) any unvested awards held by the participant at Termination Date may vest in the sole discretion of the Plan Administrator; and
  - (ii) any vested awards may be exercised, surrendered to the Corporation, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the CSE, the Corporation may terminate all of the awards held by a participant that is a resident of Canada for the purposes of the *Income Tax Act* (Canada), granted under the Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Corporation's assets, (c) the dissolution or liquidation of the Corporation, (d) the acquisition of the Corporation via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the "**Incumbent Board**") cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director

was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Corporation.

*Non-Transferability of Awards*

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

*Amendments to the Equity Incentive Plan*

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the *United States Internal Revenue Code of 1986*, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the CSE, the approval of Shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an Option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award. Notwithstanding the foregoing, a cancellation or termination of an award of a participant prior to its expiry may be done and will not require approval of Shareholders if conducted in compliance with, and allowed pursuant to, the policies of the CSE) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) increasing or removing the limits on the participation of non-employee directors;
- (e) permitting awards to be transferred to a person;
- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan will not require Shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b)

amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Corporation for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

The above summary of the Equity Incentive Plan is qualified in its entirety by the full terms of the Equity Incentive Plan, which is attached as Schedule “B” to this Circular. A copy of the Equity Incentive Plan is available for review at the offices of the Corporation at 1080 Brock Rd., Unit 6, Pickering, Ontario L1W 3H3 during normal business hours up to and including the date of the Meeting.

#### ***Shareholder Approval of the Equity Incentive Plan***

The Equity Incentive Plan is authorized by the Board to be effective the date of the Meeting, or any adjournment or postponement thereof, subject to the approval of disinterested Shareholders at the Meeting. The Equity Incentive Plan will continue until the earlier of termination by the Board or three years from the Effective Date.

Accordingly, at the Meeting, disinterested Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying the adoption of the Equity Incentive Plan. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution. The text of the proposed resolution is set forth below. Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOUR of this resolution.

Shareholder approval of the Equity Incentive Plan Resolution on a disinterested Shareholder basis means that the votes attached to any Common Shares held by eligible Participants (as such term is defined in the Equity Incentive Plan) will be excluded.

To be effective, the Equity Incentive Plan Resolution requires an affirmative vote of not less than a majority of the votes cast by disinterested Shareholders present virtually or by proxy and entitled to vote at the Meeting.

**The Board unanimously recommends that Shareholders vote FOR the approval of the Equity Incentive Plan. It is intended that all proxies received will be voted in favour of the approval of the Equity Incentive Plan unless a proxy contains instructions to vote against the approval of the Equity Incentive Plan.**

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the omnibus equity incentive plan adopted by the board of directors of the Corporation (the “**Board**”) on November 30, 2023 (the “**Equity Incentive Plan**”), in the form attached as Schedule “B” to the management information circular of the Corporation dated November 30, 2023, is hereby confirmed, ratified and approved, and the Corporation has the ability to grant awards under the Equity Incentive Plan until December 20, 2026, which is the date that is three years from the date of the meeting of the holders (the “**Shareholders**”) of common shares of the Corporation at which Shareholder approval of the Equity Incentive Plan is being sought.
2. The Awards (as defined in the Equity Incentive Plan) to be issued under the Equity Incentive Plan, and all unallocated Awards under the Equity Incentive Plan, be and are hereby approved.
3. The Board is hereby authorized to make such amendments to the Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of

the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Equity Incentive Plan, the approval of the Shareholders.

4. Any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Corporation, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

## **6. Re-Approval of the Stock Option Plan**

Should the proposed Equity Incentive Plan not receive the required Shareholder approval at the Meeting, the proposed Equity Incentive Plan will not be implemented and the Stock Option Plan and RSU Plan will remain in place. In the event this occurs, Shareholders will be asked at the Meeting to consider and, if deemed appropriate, to pass an ordinary resolution confirming and reapproving the Stock Option Plan, as is required by the policies of the CSE, so that the Corporation can continue to utilize this important compensation mechanism (the “**Stock Option Plan Resolution**”).

The Corporation has in place a 10% “rolling” Stock Option Plan whereby the Board may allocate a maximum of 10% of the issued and outstanding Common Shares from time to time for issuance under the Stock Option Plan. The Stock Option Plan was last approved by the Shareholders on February 7, 2020. There have not been any amendments made to the Stock Option Plan since that time.

The policies of the CSE require that the Corporation obtain Shareholder approval of the Stock Option Plan every three years.

A summary of the Stock Option Plan is provided below under the heading “*Stock Option Plan*”. However, the information related to the Stock Option Plan in this Circular is intended as a summary only and is qualified in its entirety by the full text of the Stock Option Plan, which is attached as Schedule “M” to the management information circular of the Corporation dated February 7, 2020, and is available on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Corporation will provide a copy of the management information circular dated February 7, 2020 free of charge to any Shareholder who requests a copy.

### **Stock Option Plan**

The purpose of the Stock Option Plan, pursuant to which the Corporation may grant Options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Options may be exercised until the earlier of: (a) the expiry time of such Option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option. Notwithstanding the foregoing, in the event of termination for cause, all Options held by such terminated optionee will be cancelled immediately. In the term of any Option expires within or immediately following a “blackout period” imposed by the Corporation, the Option shall expire on the date that is ten business days following the end of such blackout period. In the event that the Corporation becomes listed on the Toronto Stock Exchange, the Stock Option

Plan provides that the Board may grant Options which allow an optionee to elect to exercise its Option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate fair market value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the fair market value of each Common Share. The Stock Option Plan contains a detailed amending provisions which set out circumstances where stock exchange and Shareholder approval will be required and those circumstances where stock exchange and Shareholder approval will not be required.

### ***Shareholder Re-Approval of the Stock Option Plan***

Since the Stock Option Plan is a “rolling plan”, Shareholder approval of the Stock Option Plan is required by the CSE three years after institution and within every three years thereafter. In accordance with the policies of the CSE, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the stock option plan of the Corporation originally approved by the shareholders of the Corporation on February 7, 2020 (the “**Stock Option Plan**”), in the form attached as Schedule “M” to the management information circular of the Corporation dated February 7, 2020, is hereby confirmed, ratified and approved, and the Corporation has the ability to grant awards under the Stock Option Plan until December 20, 2026, which is the date that is three years from the date of the meeting of the holders (the “**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) at which Shareholder approval of the Stock Option Plan is being sought.
2. The awards to be issued under the Stock Option Plan, and all unallocated awards under the Stock Option Plan, be and are hereby approved.
3. The board of directors of the Corporation (the “**Board**”) is hereby authorized to make such amendments to the Stock Option Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Stock Option Plan, the approval of the Shareholders.
4. Any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Corporation, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

To be effective, the Stock Option Plan Resolution, in the form set out above, requires an affirmative vote of not less than a majority of the votes cast by the Shareholders present virtually or by proxy and entitled to vote at the Meeting.

**The Board unanimously recommends that Shareholders vote FOR the approval of the Stock Option Plan. It is intended that all proxies received will be voted in favour of the approval of the Stock Option Plan unless a proxy contains instructions to vote against the approval of the Stock Option Plan.**

### **7. Other Matters**

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting and this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to "Named Executive Officers" or "NEOs" of the Corporation, meaning the following individuals: (i) the Chief Executive Officer of the Corporation, (ii) the Chief Financial Officer of the Corporation, (iii) each of the three most highly compensated executive officers of the Corporation, if any, whose individual total compensation was more than \$150,000 for the year ended June 30, 2023 and (iv) each individual who satisfies the criteria under paragraph (iii) but for the fact the individual was not an executive officer of the Corporation, nor acting in a similar capacity, as at June 30, 2023.

For the year ended June 30, 2023, the Corporation's NEOs consisted of:

1. Igal Sudman – Chairman, Chief Executive Officer and Corporate Secretary; and
2. Roman Buzaker – President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge and Head of Security.

### Compensation Philosophy and Objectives

The compensation of the Corporation's NEOs and Board is determined by the Board based on recommendations from the Compensation Committee. The general objectives of the Corporation's compensation decisions are:

- to encourage the management of the Corporation to achieve a high level of performance and results with a view to increasing long-term Shareholder value;
- to align the interests of the management of the Corporation with the long-term interest of Shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Corporation's overall financial position.

The Corporation's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing Shareholder value. The Corporation recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

### Elements of Compensation

The Corporation's compensation program during the year ended June 30, 2023, consisted of four principal components: (i) base compensation; (ii) long-term compensation in the form of Options issuable under the Stock Option Plan; (iii) long-term compensation in the form of RSUs issuable under the RSU Plan; and (iv) a discretionary bonus. For the year ended June 30, 2023, compensation was determined and administered by the Board based on recommendations from the Compensation Committee.

### Compensation Committee

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board established the Compensation Committee and approved the charter of the Compensation Committee. The Compensation Committee is composed of Roman Buzaker, Maor Shayit and Alison Gordon. Mr. Shayit and Ms. Gordon are "independent" as such term is defined in National Instrument 58-101 - *Disclosure of Corporate*

*Governance Practices* (“**NI 58-101**”), while Mr. Buzaker is not due to his officer roles within the Corporation.

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

To determine compensation payable, the Compensation Committee reviews compensation paid to management of companies of similar size and stage of development in comparable industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by management while taking into account the financial and other resources of the Corporation.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee to make informed decisions on the suitability of the Corporation’s compensation policies and practices.

#### Base Compensation

Base compensation for the Corporation’s management is designed to provide income certainty and to attract and retain executives. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also considered. The Compensation Committee has generally considered publicly available information regarding the compensation levels of executives of similarly sized companies within the industry in setting compensation but has not established a benchmark group of peers. Although the Corporation strives to compensate its management within industry expectations, the base compensation may, from time to time, be reviewed depending on the results of operations.

#### Stock Option Plan and RSU Plan

To provide a long-term component to the compensation program, the Corporation adopted the Stock Option Plan, a 10% “rolling” stock option plan, and RSU Plan, a fixed 10% RSU plan. The maximization of Shareholder value is encouraged by granting Options and RSUs to eligible participants. Recommendations for Options and RSUs have historically taken into account factors such as awards made in previous years, the number of Options and RSUs outstanding per individual and the individual’s level of responsibility.

Other than the Stock Option Plan and RSU Plan, the Corporation does not currently have any other long-term incentive or other plans pursuant to which cash or non-cash compensation has been or will be paid or distributed to any director or executive officer.

#### ***Stock Option Plan***

The Corporation adopted the Stock Option Plan and pursuant to the terms of the Stock Option Plan, the Board may from time to time, in its discretion, in accordance with applicable stock exchange rules, grant to directors, officers, employees, management company employees and consultants of the Corporation and its affiliates, non-transferable Options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Stock Option Plan, pursuant to which the Corporation may grant Options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance



in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Options may be exercised until the earlier of: (a) the expiry time of such Option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option. Notwithstanding the foregoing, in the event of termination for cause, all Options held by such terminated optionee will be cancelled immediately. In the term of any Option expires within or immediately following a “blackout period” imposed by the Corporation, the Option shall expire on the date that is ten business days following the end of such blackout period. In the event that the Corporation becomes listed on the Toronto Stock Exchange, the Stock Option Plan provides that the Board may grant Options which allow an optionee to elect to exercise its Option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate fair market value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the fair market value of each Common Share. The Stock Option Plan contains a detailed amending provisions which set out circumstances where stock exchange and Shareholder approval will be required and those circumstances where stock exchange and Shareholder approval will not be required.

### ***RSU Plan***

On April 1, 2021, the Board adopted the RSU Plan. The RSU Plan provides that the Board and/or Compensation Committee may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable RSUs awards to receive Common Shares. The principal features of the RSU Plan are summarized below:

#### *Purpose*

The purpose of the RSU Plan is promote the interests and long-term success of the Corporation by: (i) furnishing certain directors, officers, employees and consultants of the Corporation with greater incentive to develop and promote the business and financial success of the Corporation; (ii) aligning the interests of persons to whom RSUs may be granted with those of Shareholders generally through a proprietary ownership interest in the Corporation; and (iii) assisting the Corporation in attracting, retaining and motivating its directors, officers, and employees.

#### *Eligibility*

RSU grants may be made under the RSU Plan to directors, officers, employees, and consultants of the Corporation or of any affiliate of the Corporation (each an “**Eligible Person**”), excluding individuals or consultants engaging in Investor Relations Activities (as such term is defined in the policies of the CSE). Any Eligible Person shall be designated a participant for the purposes of the RSU Plan (a “**Participant**”). The Corporation and Participant shall be required to confirm that any Eligible Person that is an employee is a bona fide employee of the Corporation or its affiliates for the purposes of participating in the RSU Plan. In determining whether an Eligible Person shall receive an RSU and the terms thereof, the Board or Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Corporation, and such other relevant factors.

#### *Administration*

The RSU Plan will be administered by the Board and Compensation Committee to, among other things, interpret, administer and implement the RSU Plan on behalf of the Board. The Compensation Committee is authorized, subject

to the provisions of the RSU Plan, to establish such rules and regulations as it deems necessary for the proper administration of the RSU Plan, and to make determinations and take such other action in connection with or in relation to the RSU Plan as it deems necessary or advisable.

#### *Common Shares Available for Awards*

The maximum number of Common Shares that may be issuable pursuant to RSU Plan may not exceed in the aggregate, that number of Common Shares which is equal to 10% of the issued and outstanding Common Shares as at the effective date of the RSU Plan, being 10,097,383 Common Shares as of April 1, 2021. The number of Common Shares covered by a grant of RSUs will be counted on the date of grant of such RSUs against the aggregate number of Common Shares available under the RSU Plan. Fractional RSUs are permitted under the RSU Plan.

#### *Grant of Awards*

The Compensation Committee may from time-to-time grant to any Eligible Person one or more RSUs as the Compensation Committee deems appropriate, provided that:

- (a) the number of Common Shares reserved for issuance to any Participant combined with all of the Corporation's other security-based arrangements within any one-year period shall not, in aggregate, exceed 5% of the total number of Common Shares, or in the case of consultants, 2% of the issued and outstanding Common Shares to each consultant in any one year period, unless disinterested Shareholder approval is obtained for such issuances;
- (b) the number of Common Shares reserved for issuance to any one Participant within any one-year period shall not, in aggregate, exceed 1% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuance;
- (c) the maximum number of Common Shares which may be reserved for issuance to a related group of persons, together with any other security-based compensation agreements, may not exceed 10% of the issued and outstanding Common Shares at any given time;
- (d) the number of Common Shares (i) issuable, at any time, to Participants that are insiders; and (i) issued to Participants that are Insiders (as such term is defined in the RSU Plan) within any one-year period when combined with all of the Corporation's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Common Shares shall not, in aggregate, exceed 5% of the total number of Common Shares at any given time; and
- (e) the number of Common Shares reserved for issuance to Participants that are Insiders pursuant to the RSU Plan within any one-year period shall not, in aggregate, exceed 2% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuances.

Each RSU grant will be evidenced by an Award Agreement (as such term is defined in the RSU Plan) which incorporates such terms and conditions, including all vesting conditions, as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of the RSU Plan.

#### *Termination of Services*

Upon the termination of a Participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Corporation, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU grant.

### *Vesting*

RSUs granted pursuant to the RSU Plan will vest, and the corresponding Common Shares will be issued, no later than December 15 of the third calendar year following the end of the Service Year (as defined herein) in respect of each such RSU grant. For the purposes of determining the Service Year: (i) where an RSU is granted within the first half of a calendar year, the “**Service Year**” in respect of such RSU shall be the immediately preceding year; and (ii) where an RSU is granted within the second half of a calendar year, the “**Service Year**” in respect of such RSU shall be the year of grant.

Each vested, whole RSU granted is payable in Common Shares and confers on the holder thereof the right to receive one Common Share from treasury immediately upon the completion of certain conditions during such periods as the Compensation Committee may establish. The conditions to be completed during any period, the length of any period, the amount of any RSUs granted, the number of Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU are to be determined by the Compensation Committee at the time of grant.

### *Amendments to the RSU Plan*

The following amendments to the RSU Plan will require the prior approval of disinterested Shareholders:

- (a) increasing the maximum number of Common Shares reserved for issuance under the RSU Plan;
- (b) extending the term of an RSU beyond its original expiry time; or
- (c) any amendment that results in a modification to the section of the RSU Plan that deals with the maximum number of Common Shares available for issuance under the RSU Plan.

The Compensation Committee may make any other amendment to the RSU Plan not set out above, including the following:

- (a) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
- (b) amendments to reflect any requirements of any regulatory authorities to which the Corporation is subject, including the CSE;
- (c) amendments to any vesting provisions of an RSU, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such RSU; and
- (d) amendments to the expiration date of an RSU that does not extend the term of an RSU past the original date of expiration for such RSU.

### *Adjustments*

In the event of any share distribution, share split, combination or exchange of shares, merger, consolidation, spin-off or other distribution of the Corporation’s assets to the Shareholders, or any other change affecting the Common Shares, the outstanding RSUs shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event, provided that no amount will be paid to a Participant and no additional RSUs will be granted to such Participant to compensate for a downward fluctuation in the market price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.

In the event of a Merger and Acquisition Transaction (as such term is defined the RSU Plan), the Compensation Committee will determine any adjustment to the number and type of Common Shares (or other securities) that shall thereafter underlie the then outstanding, and any future, RSUs and determine the manner in which all unvested RSUs granted will be treated including, without limitation, requiring the acceleration of the time for the vesting of such

RSUs by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such RSUs. Notwithstanding anything to the contrary in the RSU Plan, any unvested RSUs issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible.

#### *Withholding Tax*

Each Participant in the RSU Plan is responsible for all applicable withholding taxes in respect the issuance, transfer, amendment or vesting of an RSU or the issuance of Common Shares thereunder in order to satisfy any applicable withholding taxes, the Corporation is entitled to, among other things, withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Corporation to the Participant, or may require that a Participant pay such amounts to the Corporation.

#### *RSUs Non-Transferable*

Each RSU granted is non-transferable or assignable except to (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs. A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the RSU was granted to such Participant will not result in the termination of the RSU granted to such Participant provided that such Participant remains an Eligible Person.

#### Discretionary Cash Bonus

The compensation program includes eligibility for discretionary incentive cash bonuses. The bonuses are awarded based on objectives set by the Compensation Committee and its assessment of the Corporation and its executive's performance and contribution. Objectives may include strategic, financial and operational performance goals, as well as personal performance objectives, including implementation of new strategic initiatives, the development of innovations, organizational development and other factors. The resulting bonus entitlements, if any, will therefore vary between members of management.

#### Risk Analysis

The Board and Compensation Committee considered risks associated with executive compensation and do not believe that the Corporation's executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks. Aside from a fixed base salary, management is compensated through grants under the Corporation's equity compensation plans, namely the Stock Option Plan and RSU Plan, 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 corresponding Option and RSU vesting period which reduces the incentive for management to take inappropriate or excessive risks as their long-term compensation is at risk.

Management is not permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by management.

#### **Summary of Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth the compensation paid by the Corporation to each NEO and director for the two most

recently completed financial years of the Corporation, excluding compensation securities:

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Igal Sudman</b> <i>Chairman, Chief Executive Officer and Corporate Secretary</i>	2023	230,370.13 <sup>(1)</sup>	756,000.00 <sup>(2)</sup>	Nil	Nil	Nil	986,370.13
	2022	187,500.00 <sup>(1)</sup>	Nil	Nil	Nil	Nil	187,500.00
<b>Roman Buzaker</b> <i>President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director</i>	2023	228,293.23 <sup>(3)</sup>	756,000.00 <sup>(4)</sup>	Nil	Nil	Nil	984,293.23
	2022	183,542.21 <sup>(3)</sup>	Nil	Nil	Nil	Nil	183,542.21
<b>Maor Shayit</b> <i>Director</i>	2023	60,000.00	Nil	Nil	Nil	Nil	60,000.00
	2022	30,000.00	Nil	Nil	Nil	Nil	30,000.00
<b>David Hackett</b> <i>Director</i>	2023	68,000.00	Nil	Nil	Nil	Nil	68,000.00
	2022	34,000.00	Nil	Nil	Nil	Nil	34,000.00
<b>Alison Gordon</b> <i>Director</i>	2023	60,000.00	Nil	Nil	Nil	Nil	60,000.00
	2022	30,000.00	Nil	Nil	Nil	Nil	30,000.00

**Notes:**

1. All fees were paid to 238 Ontario.
2. Paid to 238 Ontario.
3. Aside from \$150,000 which was paid to Mr. Buzaker pursuant to an employment agreement effective October 1, 2021 between Ayurcann Inc., a wholly owned subsidiary of the Corporation and Mr. Buzaker, all remaining fees were paid to IIPAC.
4. Paid to 1000677847 Ontario Inc., a company owned and controlled by Mr. Buzaker.

**Compensation Securities**

During the most recently completed financial year, the following Options and/or RSUs were issued to each NEO and director of the Corporation:

Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Igal Sudman<sup>(1)</sup></b> <i>Chairman, Chief Executive Officer and Corporate Secretary</i>	RSUs	300,000	July 27, 2022	0.095	0.095	0.045	July 27, 2025
<b>Roman Buzaker<sup>(2)</sup></b> <i>President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director</i>	RSUs	300,000	July 27, 2022	0.095	0.095	0.045	July 27, 2025
<b>Maor Shayit</b> <i>Director</i>	RSUs	<b>78,950</b>	July 27, 2022	0.095	0.095	0.045	July 27, 2025
<b>David Hackett</b> <i>Director</i>	RSUs	<b>89,500</b>	July 27, 2022	0.095	0.095	0.045	July 27, 2025
<b>Alison Gordon</b> <i>Director</i>	RSUs	<b>78,950</b>	July 27, 2022	0.095	0.095	0.045	July 27, 2025

**Notes:**

1. RSUs were issued to 238 Ontario.
2. RSUs were issued to IIPAC.

## Exercise of Compensation Securities

The following table sets forth the Options and/or RSUs exercised by each NEO and director of the Corporation:

Name and position	Type of security or other instrument	Number of securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price on date of exercise (\$)	Total (\$)
<b>Igal Sudman</b> <sup>(1)</sup> <i>Chairman, Chief Executive Officer and Corporate Secretary</i>	RSUs	300,000	N/A	July 27, 2022	0.095	Nil	28,500.00
<b>Roman Buzaker</b> <sup>(2)</sup> <i>President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director</i>	RSUs	300,000	N/A	July 27, 2022	0.095	Nil	28,500.00
<b>Maor Shayit</b> <i>Director</i>	RSUs	<b>78,950</b>	N/A	July 27, 2022	0.095	Nil	7,500.25
<b>David Hackett</b> <i>Director</i>	RSUs	<b>89,500</b>	N/A	July 27, 2022	0.095	Nil	8,502.50
<b>Alison Gordon</b> <i>Director</i>	RSUs	<b>78,950</b>	N/A	July 27, 2022	0.095	Nil	7,500.25

### Notes:

1. RSUs were exercised by 238 Ontario.
2. RSUs were exercised by IIPAC.

## Employment, Consulting and Management Agreements

Other than as disclosed below, there are no contracts, agreements, plans or arrangements that provide for payments to an individual at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in their responsibilities.

### Igal Sudman – Chairman, Chief Executive Officer and Corporate Secretary

Effective October 1, 2021, 238 Ontario, a owned and controlled by Mr. Sudman, and the Corporation entered into a management services agreement, pursuant to which 238 Ontario provides Chief Executive Officer services to the Corporation (the “**238 Agreement**”). Under the 238 Agreement, 238 Ontario is entitled to: (i) a consulting fee of \$5,000 per month plus applicable tax for services rendered to the Corporation; (ii) grants of RSUs equivalent to \$10,000 per month, issuable quarterly; and (iii) a discretionary cash bonus in the amount of up to 200% of the total compensation received by 238 Ontario for the applicable year (together, the “**238 Consulting Fee**”). In the event of termination upon a change of control or termination without cause, 238 Ontario is entitled to be paid a lumpsum payment equal to five times the amount of the 238 Consulting Fees for the prior completed financial year. The Corporation may terminate the 238 Agreement with cause by providing two weeks’ notice to 238 Ontario. Any unvested Options granted to 238 Ontario pursuant to the terms of the Stock Option Plan will vest immediately and remain exercisable for two years from the earlier of: (a) the date of termination and (b) the original expiration date of such grant, and any unvested RSUs granted to 238 Ontario pursuant to the terms of the RSU Plan will vest immediately and remain exercisable for two years from the earlier of: (x) the date of termination and (y) the original expiration date of such grant.

Effective October 1, 2021, 238 Ontario and Ayurcann Inc., a wholly owned subsidiary of the Corporation, entered into a management services agreement, pursuant to which 238 Ontario provides Chief Executive Officer services to Ayurcann Inc. In consideration for such services, 238 Ontario is entitled to a consulting fee of \$150,000 per annum.

Effective September 15, 2023, 238 Ontario and the Corporation entered into a new management services agreement,

pursuant to which 238 Ontario provides Chief Executive Officer services to the Corporation and Ayurcann Inc., a wholly owned subsidiary of the Corporation (the “**New 238 Agreement**”). Under the New 238 Agreement, 238 Ontario is entitled to: (i) a public market management fee of \$5,000 per month plus applicable tax for management of the Corporation (the “**238 Public Market Management Fee**”); (ii) a management fee of \$16,500 per month plus applicable tax for management and ongoing operations of Ayurcann Inc. (the “**238 Management Fee**”); (iii) grants of RSUs equivalent to \$10,000 per month, issuable quarterly (the “**238 Incentive Grants**” and together with the 238 Public Market Management Fee and 238 Management Fee, the “**238 Base Fees**”); and (iv) an annual bonus, for every year that minimum sales of the Corporation are equal to or greater than \$10,000,000 gross sales, equal to 100% of the 238 Base Fee plus any compensation paid to Mr. Sudman by Ayurcann Inc. pursuant to an employment agreement dated July 1, 2020, as amended, (together, the “**238 Earned Fees**”) in the applicable year (the “**238 Bonus**” and together with the 238 Base Fees, the “**238 Total Compensation**”). For every year that minimum sales of the Corporation are equal to or greater than \$20,000,000 in gross sales, 238 Ontario shall receive a 238 Bonus equal to 200% of the 238 Earned Fees paid to 238 Ontario and Mr. Sudman, as applicable, in that year, subject to a maximum bonus of 300% of the 238 Earned Fees. The chart below sets out the 238 Bonus structure:

<i>Total Sales of the Corporation</i>	<i>Bonus as Percentage of 238 Earned Fees</i>
Greater than or equal to \$10,000,000	100% of 238 Earned Fees
Greater than or equal to \$20,000,000	200% of 238 Earned Fees
	<i>*The maximum Bonus payable cannot exceed 300% of the 238 Earned Fees.</i>

In the event of termination upon a change of control or termination without cause, 238 Ontario is entitled to be: (i) paid any earned but unpaid 238 Base Fees, 238 Bonus (earned but unpaid from the previous fiscal year, if any), and reimbursed for any expenses incurred; (ii) paid an amount equal to any unpaid 238 Bonus for the fiscal year in which the termination of services occurs, calculated on a pro-rata basis to the date of the triggering event or the date of notice of termination without cause; (iii) paid in lieu of notice in an amount equal to thirty-six (36) months of the 238 Total Compensation paid to 238 Ontario in the twelve (12) months immediately prior to termination, less applicable withholdings and deductions; and (iv) any Options and/or RSUs held by 238 Ontario or Mr. Sudman under the Corporation’s equity-incentive plans shall immediately become vested and exercisable and any Options and/or RSUs shall remain exercisable for two (2) years from earlier of the (x) date of the triggering event or the date of notice of termination without cause; and (y) the original expiration date of such grant.

*Roman Buzaker – President, Chief Financial Officer, Chief Operating Officer, Responsible Person in Charge, Head of Security and Director*

Effective October 1, 2021, IIPAC and the Corporation entered into a management services agreement, pursuant to which IIPAC provides Chief Financial Officer services to the Corporation (the “**IIPAC Agreement**”). Under the IIPAC Agreement, IIPAC is entitled to: (i) a consulting fee of \$5,000 per month plus applicable tax for services rendered to the Corporation; (ii) grants of RSUs equivalent to \$10,000 per month, issuable quarterly; and (iii) a discretionary cash bonus in the amount of up to 200% of the total compensation received by IIPAC for the applicable year (together, the “**IIPAC Consulting Fee**”). In the event of termination upon a change of control or termination without cause, IIPAC is entitled to be paid a lumpsum payment equal to five times the amount of the IIPAC Consulting Fees for the prior completed financial year. The Corporation may terminate the IIPAC Agreement with cause by providing two weeks’ notice to IIPAC. Any unvested Options granted to IIPAC pursuant to the terms of the Stock Option Plan will vest immediately and remain exercisable for two years from the earlier of: (a) the date of termination and (b) the original expiration date of such grant, and any unvested RSUs granted to IIPAC pursuant to the terms of the RSU Plan will vest immediately and remain exercisable for two years from the earlier of: (x) the date of termination and (y) the original expiration date of such grant.

Effective October 1, 2021, Roman Buzaker and Ayurcann Inc., a wholly owned subsidiary of the Corporation, entered into an employment agreement pursuant to which Mr. Buzaker is employed as the Chief Operating Officer of Ayurcann Inc. Mr. Buzaker is paid \$150,000 per annum pursuant to the employment agreement.

Effective September 15, 2023, 1000677847 Ontario Inc., a company owned and controlled by Mr. Buzaker, (“**100 Ontario**”) and the Corporation entered into a management services agreement to replace the IIPAC Agreement, pursuant to which 100 Ontario provides Chief Operating Officer services to the Corporation and Ayurcann Inc., a wholly owned subsidiary of the Corporation (the “**100 Agreement**”). Under the 100 Agreement, 100 Ontario is

entitled to: (i) a public market management fee of \$5,000 per month plus applicable tax for management of the Corporation (the “**100 Public Market Management Fee**”); (ii) a management fee of \$12,500 per month plus applicable tax for management and ongoing operations of Ayurcann Inc. (the “**100 Management Fee**”); (iii) grants of RSUs equivalent to \$10,000 per month, issuable quarterly (the “**100 Incentive Grants**” and together with the 100 Public Market Management Fee and 100 Management Fee, the “**100 Base Fees**”); and (iv) an annual bonus, for every year that minimum sales of the Corporation are equal to or greater than \$10,000,000 gross sales, equal to 100% of the 100 Base Fee plus any compensation paid to Mr. Buzaker by Ayurcann Inc. pursuant to an employment agreement dated July 1, 2020, as amended, (together, the “**100 Earned Fees**”) in the applicable year (the “**100 Bonus**” and together with the 100 Base Fees, the “**100 Total Compensation**”). For every year that minimum sales of the Corporation are equal to or greater than \$20,000,000 in gross sales, 100 Ontario shall receive a 100 Bonus equal to 200% of the 100 Earned Fees paid to 100 Ontario and Mr. Buzaker, as applicable, in that year, subject to a maximum bonus of 300% of the 100 Earned Fees. The chart below sets out the 100 Bonus structure:

<i>Total Sales of the Corporation</i>	<i>Bonus as Percentage of 100 Earned Fees</i>
Greater than or equal to \$10,000,000	100% of 100 Earned Fees
Greater than or equal to \$20,000,000	200% of 100 Earned Fees
	<i>*The maximum Bonus payable cannot exceed 300% of the 100 Earned Fees.</i>

In the event of termination upon a change of control or termination without cause, 100 Ontario is entitled to be: (i) paid any earned but unpaid 100 Base Fees, 100 Bonus (earned but unpaid from the previous fiscal year, if any), and reimbursed for any expenses incurred; (ii) paid an amount equal to any unpaid 100 Bonus for the fiscal year in which the termination of services occurs, calculated on a pro-rata basis to the date of the triggering event or the date of notice of termination without cause; (iii) paid in lieu of notice in an amount equal to thirty-six (36) months of the 100 Total Compensation paid to 100 Ontario in the twelve (12) months immediately prior to termination, less applicable withholdings and deductions; and (iv) any Options and/or RSUs held by 100 Ontario or Mr. Buzaker under the Corporation’s equity-incentive plans shall immediately become vested and exercisable and any Options and/or RSUs shall remain exercisable for two (2) years from earlier of the (x) date of the triggering event or the date of notice of termination without cause; and (y) the original expiration date of such grant.

#### Maor Shayit – Director

Effective January 1, 2021, Maor Shayit and the Corporation entered into a consulting agreement, pursuant to which Mr. Shayit provides services to the Corporation in connection with his directorship. In consideration for such services, Mr. Shayit is entitled to: (i) a consulting fee of \$2,500 per month, payable quarterly; and (ii) grants of RSUs equivalent to \$2,500 per month, issuable quarterly.

#### David Hackett – Director

Effective January 1, 2021, David Hackett and the Corporation entered into a consulting agreement, pursuant to which Mr. Hackett provides services to the Corporation in connection with his directorship. In consideration for such services, Mr. Hackett is entitled to: (i) a consulting fee of \$2,500 per month, payable quarterly; and (ii) grants of RSUs equivalent to \$2,500 per month, issuable quarterly.

On July 1, 2021, Mr. Hackett’s consulting agreement was amended to increase his consulting fee and RSU entitlement to \$2,833.33 per month.

#### Alison Gordon – Director

Effective January 1, 2021, Alison Gordon and the Corporation entered into a consulting agreement, pursuant to which Mr. Gordon provides services to the Corporation in connection with her directorship. In consideration for such services, Mr. Gordon is entitled to: (i) a consulting fee of \$2,500 per month, payable quarterly; and (ii) grants of RSUs equivalent to \$2,500 per month, issuable quarterly.

#### **Pension Plan Benefits**

The Corporation does not have any pension plans that provide for payments of benefits at, following or in connection



with, retirement or provide for retirement or deferred compensation plans for the NEOs or directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance, under equity compensation plans of the Corporation, as at June 30, 2023, the Corporation’s most recently completed fiscal year:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	1,733,380 <sup>(1)</sup>	0.1403	14,155,506 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil <sup>(2)</sup>	N/A	3,365,446 <sup>(2)</sup>
<b>Total</b>	1,733,380 <sup>(1)(2)</sup>	0.1403	17,520,952 <sup>(3)</sup>

**Notes:**

- As at June 30, 2023, the Corporation had 1,733,380 Options issued and outstanding and 14,155,506 Options remaining authorized for issuance under the Stock Option Plan.
- As at June 30, 2023, the Corporation had Nil RSUs issued and outstanding and 3,365,446 RSUs remaining authorized for issuance under the RSU Plan. During the year ended June 30, 2023, the Corporation issued an aggregate of 1,226,350 RSUs, which vested and were exercised immediately.
- As at June 30, 2023, the Corporation had 158,888,862 Common Shares issued and outstanding. The Stock Option Plan is a 10% rolling plan, while the RSU Plan is fixed at 10,097,383 RSUs.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no current executive officer, director or employee or former executive officer, director or employee of the Corporation or of any of its subsidiaries is indebted to the Corporation or any of its subsidiaries or any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the directors and executive officers of the Corporation, since the commencement of the Corporation’s last completed financial year and the commencement of the preceding financial year, no “informed person” (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any Nominee, or any associate or affiliate of an informed person, has or had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

## AUDIT COMMITTEE

Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

### **Mandate and Charter**

The Board is responsible for reviewing and approving the unaudited interim financial statements, and audited annual financial statements, together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee meets with the Board to assist the Board in fulfilling this responsibility and reports to the Board their findings.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee, among other responsibilities, reviews the financial reports and other financial

information provided by the Corporation to regulatory authorities and its Shareholders and reviews the Corporation's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

In addition, the Audit Committee is responsible for directing the auditors' examination of specific areas, for the selection of the Corporation's independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

Pursuant to NI 52-110, the Audit Committee is required to have a charter, a copy which is attached hereto as Schedule "A".

### **Composition of the Audit Committee**

The Audit Committee is comprised of three members: Igal Sudman, Maor Shayit and David Hackett. Maor Shayit and David Hackett are "independent" within the meaning of NI 52-110, while Mr. Sudman is not due to his officer roles within the Corporation. All the members of the Audit Committee are financially literate as defined by NI 52-110.

### **Relevant Education and Experience**

***Igal Sudman*** – Mr. Sudman is a business development specialist who holds a bachelor's degree from York University and Real Estate Council of Ontario license. Mr. Sudman brings over 20 years of experience in a range of industries from real estate development to technology and cannabis, where he founded and developed several businesses that featured on the Canadian Profit 50. Mr. Sudman is currently the CEO of Ayurcann Inc. (June 2018), an Advisor of Amuka Esports (Sept 2019) and the Founder of Sudman Industries. In addition, Mr. Sudman served as the Chief Compliance Officer at Z Block Chain (November 2016 – November 2017), the Principal at Sudman Industries (1987 – 2020), and co-founded Simcoe Canada Lands (January 2005 – January 2010) and Cupps Coffee Houses (January 1998 – July 2004).

***Maor Shayit*** – Mr. Shayit is a professional executive who holds a bachelor's degree in Business and Managerial Economics from the Peres Academic Centre and brings over 15 years of experience in a wide range of industries, including communications, transportation, beauty and cannabis. Mr. Shayit is a Chief Operating Officer and Chief Marketing Officer of Weed Me, where he is responsible for developing and executing best practices in accordance to the regulator's guidelines. In addition, Mr. Shayit co-founded SIMPER (March 2017 – January 2019) and served as the Vice President of Sales of Metropolitan Movers (November 2011– February 2018).

***David Hackett, CPA*** – Mr. Hackett is a professional executive who holds a Certified Public Accountant and Chartered Accountant designation and holds a bachelor's degree in Economics from Queen's University and Master of Business Administration degree from the Richard Ivey School of Business at the Western University. Mr. Hackett brings over 20 years of financial and management leadership experience. He has overseen the growth of a number of start-up companies, including dealing with operations, technology, regulatory reporting (in Canada and the U.S.), corporate governance, public financing (in Canada and the U.S.) and mergers and acquisitions activity. In addition, Mr. Hackett served as the Chief Financial Officer of 48North Cannabis Corp. (April 2018 – January 2022), Chief Financial Officer of Mavencare Inc. (2017 - 2018), Diversinet Corp. (March 2002 – January 2014) and Chief Financial Officer and Corporate Secretary of Coupgon Inc. (October 2014 – January 2017).

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation has relied upon the exemption mentioned in Section 6.1 of NI 52-110, the exemption for venture issuers in relation to the requirement that every Audit Committee member be independent. As a "venture issuer", the Corporation is also exempt from Part 5 (*Reporting Obligations*) of NI 52-110.

## Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Pre-Approval Policies and Procedures

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

## External Auditor Fees

The following table summarizes the fees billed to the Corporation for services provided by its external auditors during the fiscal years ended June 30, 2023 and 2022:

Fiscal Year	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	Other Fees <sup>(4)</sup>	Total Fees
2023	\$99,000	\$8,650	\$4,025	Nil	\$111,675
2022	\$65,000	\$6,539	\$2,500	Nil	\$74,039

### Notes:

1. Aggregate fees billed for the Annual Financial Statements and services normally provided by the external auditor in connection with the Corporation’s statutory and regulatory filings.
2. Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported as “Audit fees.”
3. Aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice, tax planning and assistance with tax for specific transactions.
4. All other fees.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management, who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders and contribute to effective and efficient decision making.

Pursuant to NI 58-101, the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

## Board

The Board facilitates its exercise of independent supervision over the Corporation’s management through frequent meetings of the Board.

The Board is currently composed of five directors:

1. Igal Sudman;
2. Roman Buzaker;
3. Maor Shayit;
4. Alison Gordon; and
5. David Hackett.

NP 58-201 suggests that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors, within the meaning set out under NI 52-110, which provides that

a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. “Material relationship” is defined as a relationship which could, in the view of a company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. In assessing NP 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

David Hackett, Maor Shayit and Alison Gordon are independent directors as they do not have a direct or indirect material relationship with the Corporation, are independent of management and are free from any direct or indirect interest and business relationship with the Corporation.

Igal Sudman and Roman Buzaker are not independent directors as they are the Chief Executive Officer and Chief Financial Officer of the Corporation, respectively, and as such are involved in the management and the day-to-day operations of the Corporation.

The Board has a majority of independent directors, and takes the following additional steps to facilitate its independence:

1. The Corporation established the Compensation Committee, which is comprised of a majority of independent directors;
2. The Compensation Committee sets the compensation of the management of the Corporation; and
3. On operational matters of the Corporation involving the performance of certain members of management who are also Board members, such Board member abstains from participating in said meeting.

In addition, in the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Corporation, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation.

### **Governance Committee**

The Corporation adopted a Governance Committee to assist the Board in fulfilling its oversight responsibilities with respect to:

1. developing corporate governance guidelines and principles for Corporation;
2. identifying individuals qualified to be nominated as members of the Board;
3. structure and composition of Board committees;
4. evaluating the performance and effectiveness of the Board; and
5. executive management succession and development.

The Governance Committee is composed of Igal Sudman, Maor Shayit and David Hackett. Messrs. Shayit and Hackett are “independent” as such term is defined in NI 58-101, while Mr. Sudman is not due to his officer roles within the Corporation.

### **Directorships**

None of the current directors of the Corporation presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.

## **Board Mandate**

The Board has not developed a written mandate. The Board is satisfied that roles and responsibilities are delineated in a satisfactory matter, having regard to various considerations such as (but not limited to) the particular expertise of the directors, their respective availability and independence.

## **Orientation and Continuing Education**

New directors are briefed on the role of the Board and its directors and on the strategic plan, annual and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing corporate policies. Board members are encouraged to meet and communicate with management and the auditors to keep themselves current with the Corporation, industry trends and developments and changes in legislation, with management's assistance. Board members have access to the Corporation's records.

## **Ethical Business Conduct**

Ethical business behavior is of great importance to the Board and management of the Corporation. The Corporation has not formally instituted policies such as a policy on insider trading and a comprehensive code of business ethics and conduct. Board members are required to comply with the conflict-of-interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Each director is required to declare the nature and extent of his interest and is not entitled to vote at meetings that involve such conflicts.

The members of the Board understand their responsibility to encourage and promote a culture of ethical and honest business conduct and recognize the importance of:

- (a) the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) promoting avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- (c) promoting full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, the securities regulators and in other public communications made by the Corporation;
- (d) promoting compliance with applicable governmental laws, rules and regulations;
- (e) promoting accountability for adherence to honest and ethical conduct; and
- (f) helping to foster a culture of honesty and accountability.

## **Nomination of Directors**

The Board and Governance Committee are responsible for the nomination of directors. With respect to the nomination of directors, the Board and Governance Committee are responsible for establishing the qualifications and skills necessary for members of the Board and procedures for identifying possible nominees who meet this criterion. The Board and Governance Committee are also responsible for establishing an appropriate review and selection process for new nominees to the Board as well as analyzing the needs of the Board relating to current or future vacancies on the Board and identifying and recommending nominees who meet such needs. The identification and recruitment of new directors is carried on informally through business and industry contacts of the Corporation's directors and officers.

### **Director Term Limits**

The Corporation does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of Board renewal. At this time, the Board does not believe that it is in the best interest of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period.

### **Compensation of Officers and Directors**

The Compensation Committee is responsible for assisting the Board in reviewing and approving compensation for the directors and senior management team, as well as reviewing their respective responsibilities, time commitment and risks involved in being an effective director. The Compensation Committee also administers the Corporation's compensation plans, discretionary bonuses and such other compensation plans or structure as adopted by the Corporation from time-to-time, researching and identifying trends in employment benefits as well as establishing and conducting periodic reviews of the Corporation's policies in the area of management benefits and perquisites.

### **Other Board Committees**

Other than the Audit Committee, Governance Committee and Compensation Committee, the Board has no other committees. The directors are regularly informed of or are actively involved in the operations of the Corporation. The scope and size of the Corporation's operations and development does not currently warrant an increase in the size of the Board or the formation of additional committees, however, the Board periodically examines its size and constitution and may from time to time establish ad hoc committees to deal with specific situations.

### **Assessments**

The Board and Governance Committee are responsible for assessing the effectiveness and contributions of the Board as a whole, its committees and individual directors. The Board and Governance Committee's effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

## **ADDITIONAL INFORMATION**

Shareholders may obtain additional information in connection with the Corporation on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Alternatively, Shareholders may contact the Corporation by mail at: 1080 Brock Road, Unit 6, Pickering, Ontario L1W 3H3, Attention: Chief Executive Officer to request copies of the Annual Financial Statements and accompanying management's discussion and analysis free of charge.

Financial information regarding the Corporation is provided in the Annual Financial Statements and accompanying management's discussion and analysis.

## **CERTIFICATION**

The undersigned hereby certifies that the contents and the mailing of this Circular to Shareholders has been approved by the Board.

**DATED** at Pickering, Ontario, this 20<sup>th</sup> day of November 2023.

### **BY ORDER OF THE BOARD**

/s/ Igal Sudman  
Igal Sudman  
*Chairman, Chief Executive Officer and Corporate Secretary*

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

*(See attached)*

## AYURCANN HOLDINGS CORP.

### AUDIT COMMITTEE CHARTER

This charter (“**Charter**”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (“**Committee**”) of the Board of Directors (“**Board**”) of Ayurcann Holdings Corp. (“**Corporation**”).

#### 1. PURPOSE

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- (a) financial reporting and disclosure requirements;
  - (b) ensuring that an effective risk management and financial control framework has been implemented by management of Corporation; and
  - (c) external audit processes.

#### 2. COMPOSITION AND MEMBERSHIP

- 2.1 The Board will appoint the members (“**Members**”) of the Committee after the annual general meeting of shareholders of Corporation. The Members will be appointed to hold office until the next annual general meeting of shareholders of Corporation or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- 2.2 The Committee will consist of at least three directors, all of who meet the criteria for financial literacy and a majority of who meet the criteria for independence established by applicable laws and the rules of the stock exchange upon which Corporation’s securities are listed, including *Multilateral Instrument 52-110 - Audit Committees*. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- 2.3 The Board will appoint one of the Members to act as the Chair of the Committee. The secretary of Corporation (“**Corporate Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

#### 3. MEETINGS

- 3.1 Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- 3.2 At the request of the external auditors of Corporation, the Chief Executive Officer or the Chief Financial Officer of Corporation or any member of the Committee, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- 3.3 The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chair of the meeting.
- 3.4 Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or



casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

3.5 The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without management at each meeting of the Committee.

3.6 In advance of every regular meeting of the Committee, the Chair, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others, as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Corporation to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

#### **4. DUTIES AND RESPONSIBILITIES**

##### **4.1 Financial Reporting and Disclosure**

- (a) Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, any public release of financial information through press release or otherwise, and similar disclosure documents with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) Review with management of Corporation and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Corporation's financial position and the results of its operations in accordance with IFRS, as applicable; and,
- (c) Review the minutes from each meeting of the disclosure committee, established pursuant to Corporation's corporate disclosure policy, since the last meeting of the Committee.

##### **4.2 Internal Controls and Audit**

- (a) Review and assess the adequacy and effectiveness of Corporation's system of internal control and management information systems through discussions with management and the external auditor to ensure that Corporation maintains:
  - (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Corporation's transactions;
  - (ii) effective internal control systems; and
  - (iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud.
- (b) Satisfy itself that management has established adequate procedures for the review of Corporation's disclosure of financial information extracted or derived from Corporation's financial statements;
- (c) Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations;
- (d) Review and discuss Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

- (e) Review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Corporation's risk management policies and procedures with regard to identification of Corporation's principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Corporation; and
- (f) Review and assess annually, and in the Committee's discretion make recommendations to the Board regarding Corporation's investment policy.

#### 4.3 External Audit

- (a) Recommend to the Board a firm of external auditors to be engaged by Corporation;
- (b) Ensure the external auditors report directly to the Committee on a regular basis;
- (c) Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) Establish and maintain a direct line of communication with Corporation's external and internal auditors;
- (f) Meet in camera with only the auditors, with only management, and with only the members of the Committee;
- (g) Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team;
- (h) Oversee the work of the external auditors appointed by the shareholders of Corporation with respect to preparing and issuing an audit report or performing other audit, review or attest services for Corporation, including the resolution of issues between management of Corporation and the external auditors regarding financial disclosure;
- (i) Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Corporation, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (j) Discuss with the external auditors their perception of Corporation's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review, and availability of records, data and other requested information and any recommendations with respect thereto;
- (k) Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (l) Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors.

#### 4.4 Associated Responsibilities

- (a) Monitor and periodically review the whistleblower policy and associated procedures for:

- (i) the receipt, retention and treatment of complaints received by Corporation regarding accounting, internal accounting controls or auditing matters;
  - (ii) the confidential, anonymous submission by directors, officers and employees of Corporation of concerns regarding questionable accounting or auditing matters; and
  - (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Corporation's Code of Business Conduct & Ethics or governance policies;
- (b) Review and approve Corporation's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Corporation.

#### 4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to Corporation or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### 4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Corporation's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on 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 who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Corporation's financial information or public disclosure.

### 5. REPORTING

- 5.1 The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

### 6. ACCESS TO INFORMATION AND AUTHORITY

- 6.1 The Committee will be granted unrestricted access to all information regarding Corporation and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

### 7. REVIEW OF CHARTER

- 7.1 The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

**SCHEDULE "B"**  
**EQUITY INCENTIVE PLAN**

*(See attached)*

**AYURCANN HOLDINGS CORP.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

**ARTICLE 1**  
**PURPOSE**

**1.1 Purpose**

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

**ARTICLE 2**  
**INTERPRETATION**

**2.1 Definitions**

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

- (a) **“Affiliate”** means any entity that is an “affiliate” for the purposes of National Instrument 45-106 – *Prospectus Exemptions of the Canadian Securities Administrators*, as amended from time to time;
- (b) **“Award”** means any Option, Restricted Share Unit, Performance Share Unit or Deferred Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) **“Award Agreement”** means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) **“Board”** means the board of directors of the Corporation as it may be constituted from time to time;
- (e) **“Business Day”** means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;
- (f) **“Canadian Taxpayer”** means a Participant that is resident of Canada for purposes of the Tax Act;
- (g) **“Cash Fees”** has the meaning set forth in Subsection 7.1(a);
- (h) **“Cashless Exercise”** has the meaning set forth in Subsection 4.5(b);
- (i) **“Cause”** means, with respect to a particular Participant:
  - (i) “cause” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
  - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
  - (iii) in the event neither (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may

terminate an individual's employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant's contract without notice or without pay in lieu thereof or other termination fee or damages;

- (j) **"Change in Control"** means the occurrence of any one or more of the following events:
- (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
  - (ii) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
  - (iii) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;
  - (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
  - (v) individuals who comprise the Board as of the date hereof (the **"Incumbent Board"**) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
  - (vi) any other event which the Board determines to constitute a change in control of the Corporation;

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (i), (ii), (iii) or (iv) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (ii) above) (the **"Surviving Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (**"voting power"**) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the **"Parent Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a **"Non-Qualifying Transaction"** and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Corporation" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code.

- (k) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;
- (l) “**Committee**” has the meaning set forth in Section 3.2;
- (m) “**Consultant**” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services provided, however, that any Consultant who is in the United States or is a U.S. Person at the time such Consultant receives any offer of Award or executes any Award Agreement must be a natural person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (n) “**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:
  - (i) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
  - (ii) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
  - (iii) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, andthe words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;
- (o) “**Corporation**” means Ayurcann Holdings Corp., or any successor entity thereof;
- (p) “**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;
- (q) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;
- (r) “**Director**” means a director of the Corporation who is not an Employee;
- (s) “**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;
- (t) “**Disabled**” or “**Disability**” means, with respect to a particular Participant:

- (i) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
  - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
  - (iii) in the event neither (i) or (ii) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;
- (u) “**Effective Date**” means the effective date of this Plan, being November 20, 2023;
  - (v) “**Elected Amount**” has the meaning set forth in Subsection 7.1(a);
  - (w) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;
  - (x) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);
  - (y) “**Election Notice**” has the meaning set forth in Subsection 7.1(b);
  - (z) “**Employee**” means an individual who:
    - (i) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
    - (ii) works full-time or part-time, on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary;
  - (aa) “**Exchange**” means the Canadian Securities Exchange, or such other exchange upon which the Shares of the Corporation may become listed for trading;
  - (bb) “**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;
  - (cc) “**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;
  - (dd) “**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;
  - (ee) “**In the Money Amount**” has the meaning given to it in Subsection 4.5(b);
  - (ff) “**Insider**” means an “insider” as defined in the rules of the Exchange from time to time;
  - (gg) “**Market Price**” at any date in respect of the Shares shall be the greater of the closing market price of the Shares on (i) the trading day prior to the date of grant and (ii) the date of grant, and as



otherwise required pursuant to the policies of the Exchange, if applicable. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be (i) the issuance price per Share of the most recent financing completed by the Corporation within the last three (3) months; or (ii) otherwise, the fair market value of such Shares as determined by the Plan Administrator in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

- (hh) **“Option”** means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;
- (ii) **“Option Shares”** means Shares issuable by the Corporation upon the exercise of outstanding Options;
- (jj) **“Participant”** means a Director, Employee or Consultant to whom an Award has been granted under this Plan;
- (kk) **“Performance Goals”** means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;
- (ll) **“Performance Share Unit”** or **“PSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;
- (mm) **“Person”** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (nn) **“Plan”** means this Omnibus Equity Incentive Plan, as may be amended from time to time;
- (oo) **“Plan Administrator”** means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;
- (pp) **“PSU Service Year”** has the meaning given to it in Section 6.1;
- (qq) **“Restricted Share Unit”** or **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;
- (rr) **“Retirement”** means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause;
- (ss) **“RSU Service Year”** has the meaning given to it in Section 5.1.
- (tt) **“Section 409A of the Code”** or **“Section 409A”** means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;
- (uu) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;
- (vv) **“Security Based Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or

potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

- (ww) **“Share”** means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;
- (xx) **“subsidiary”** means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;
- (yy) **“Tax Act”** has the meaning set forth in Section 4.5(d);
- (zz) **“Termination Date”** means, subject to applicable law which cannot be waived:
  - (i) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
  - (ii) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
  - (iii) in the case of a Director, the date such individual ceases to be a Director,

in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a “separation from service” with the Corporation or a subsidiary of the Corporation within the meaning of Section 409A of the Code.

- (aaa) “U.S.” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (bbb) “**U.S. Person**” shall mean a “**U.S. person**” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);
- (ccc) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended; and
- (ddd) “**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

## 2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

## ARTICLE 3 ADMINISTRATION

### 3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, Performance Share Units or Deferred Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which:

- (A) Awards may be granted to Participants; or
- (B) Awards may be forfeited to the Corporation,  
including any conditions relating to the attainment of specified Performance Goals;
- (iii) the number of Shares to be covered by any Award;
- (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
- (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
- (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

### **3.2 Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

### **3.3 Determinations Binding**

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

### **3.4 Eligibility**

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant

is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

### **3.5 Plan Administrator Requirements**

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange, if applicable, and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

### **3.6 Total Shares Subject to Awards**

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan shall not exceed 20% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been settled, exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

### **3.7 Limits on Grants of Awards**

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
  - (i) issuable to Insiders at any time, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares;
  - (ii) issued to Persons performing investor relations services, within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation's issued and outstanding Shares; and
  - (iii) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation; and

- (b) if the Corporation ceases to be a “venture issuer” as defined in National Instrument 52-110, the Plan Administrator shall not make grants of Awards to Directors if, after giving effect to such grants of Awards, the aggregate number of Shares issuable to Directors, at the time of such grant, under all of the Corporation’s Security Based Compensation Arrangements would exceed 1% of the issued and outstanding Shares on a non-diluted basis.

### **3.8 Award Agreements**

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

### **3.9 Non-transferability of Awards**

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant’s death.

## **ARTICLE 4 OPTIONS**

### **4.1 Granting of Options**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

### **4.2 Exercise Price**

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

### **4.3 Term of Options**

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

### **4.4 Vesting and Exercisability**

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.

- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

#### 4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, if permitted by the Plan Administrator, and subject to compliance with the policies of the Exchange, if applicable, a Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 8.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

### ARTICLE 5 RESTRICTED SHARE UNITS

#### 5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price

of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

## **5.2 RSU Account**

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **5.3 Vesting of RSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.

## **5.4 Settlement of RSUs**

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.

# **ARTICLE 6 PERFORMANCE SHARE UNITS**

## **6.1 Granting of PSUs**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.



## **6.2 Terms of PSUs**

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

## **6.3 Performance Goals**

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. Following the Date of Grant, the Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

## **6.4 PSU Account**

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **6.5 Vesting of PSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs.

## **6.6 Settlement of PSUs**

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

**ARTICLE 7**  
**DEFERRED SHARE UNITS**

**7.1 Granting of DSUs**

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule “A” hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31<sup>st</sup> in the year prior to the year to which such election is to apply (other than for Director Fees payable for the 2023 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule “B”. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule “C” is delivered.
- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs,

as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.

- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

## **7.2 DSU Account**

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

## **7.3 Vesting of DSUs**

Except as otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, DSUs shall vest immediately upon grant.

## **7.4 Settlement of DSUs**

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “separation from service” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
  - (ii) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation’s payroll or in such other manner as determined by the Corporation.

## **7.5 No Additional Amount or Benefit**

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm’s length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

# **ARTICLE 8 ADDITIONAL AWARD TERMS**

## **8.1 Dividend Equivalents**

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid

on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.

- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

## **8.2 Restricted Period**

In the event that an Award expires, at a time when a scheduled restricted period is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such Award will be the date that is 10 Business Days after which such scheduled restricted period terminates or there is no longer such undisclosed material change or material fact.

## **8.3 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

## **8.4 Recoupment**

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange, if applicable. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

# **ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES**

## **9.1 Termination of Employee, Consultant or Director**

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;

- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then a portion of any unvested Options or other Awards shall immediately vest, such portion to be equal to the number of unvested Options or other Awards held by the Participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Options or other Awards were originally scheduled to vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, such Award will be settled within 90 days after the Termination Date;
- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at any time until the Expiry Date of such Option. Any vested Award other than an Option will be settled within 90 days after the Termination Date;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable based solely on the Participant remaining in the service of the Corporation or its subsidiary will become 100% vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or its subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
  - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment,

consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or

- (ii) the date of the death, Disability or Retirement of the Participant;
- (g) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) notwithstanding any other provision of this Section 9.1, in the case of an Award (other than an Option) granted to a U.S. Taxpayer that is vested or that immediately vests (in whole or in part) as a result of a Participant's termination of service, then such Award will, subject to Section 11.6(d), be settled as soon as administratively practicable following the Participant's termination of service, but in no event later than 90 days following the Participant's termination of service. In the case of an Award (other than an Option) granted to a U.S. Taxpayer that remains eligible to vest (in whole or in part) following a Participant's termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the originally scheduled settlement date for such Award.

## **9.2 Discretion to Permit Acceleration**

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

## **ARTICLE 10 EVENTS AFFECTING THE CORPORATION**

### **10.1 General**

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

### **10.2 Change in Control**

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 10.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of

an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.

- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:
  - (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
  - (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.
- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

### **10.3 Reorganization of Corporation's Capital**

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, if applicable, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

#### **10.4 Other Events Affecting the Corporation**

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, if applicable, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

#### **10.5 Immediate Acceleration of Awards**

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards.

#### **10.6 Issue by Corporation of Additional Shares**

Except as expressly provided in this Article 10, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

#### **10.7 Fractions**

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

### **ARTICLE 11 U.S. TAXPAYERS**

#### **11.1 Provisions for U.S. Taxpayers**

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“ISOs”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “service recipient stock” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

#### **11.2 ISOs**

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.



### **11.3 ISO Grants to 10% Shareholders**

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

### **11.4 \$100,000 Per Year Limitation for ISOs**

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

### **11.5 Disqualifying Dispositions**

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

### **11.6 Section 409A of the Code**

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.

- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

### **11.7 Section 83(b) Election**

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

### **11.8 Application of Article 11 to U.S. Taxpayers**

For greater certainty, the provisions of this Article 11 shall only apply to U.S. Taxpayers.

## **ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

### **12.1 Amendment, Suspension, or Termination of the Plan**

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void ab initio with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

### **12.2 Shareholder Approval**

Notwithstanding Section 12.1 and subject to any rules of the Exchange, if applicable, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 10 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award. Notwithstanding the foregoing, a cancellation or termination of an award of a participant may be done and will not require approval of the holders of Shares if conducted in compliance with, and allowed pursuant to, the policies of the Exchange) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person;
- (h) changes the eligible participants of the Plan; or
- (i) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

### **12.3 Permitted Amendments**

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 13 MISCELLANEOUS**

### **13.1 Legal Requirement**

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed, if applicable.

### **13.2 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

### **13.3 Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

### **13.4 Corporate Action**

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

### **13.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

### **13.6 Anti-Hedging Policy**

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

### **13.7 Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

### **13.8 Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

### **13.9 International Participants**

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### **13.10 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

### **13.11 General Restrictions or Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

### **13.12 Severability**

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

### **13.13 Notices**

- (a) All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as noted on the Corporation's SEDAR+ profile.
- (b) All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

### **13.14 Effective Date**

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

### **13.15 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

### **13.16 Submission to Jurisdiction**

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

**SCHEDULE "A"**

**AYURCANN HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION NOTICE**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive % of my Cash Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) \_\_\_\_\_.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Participant)

\_\_\_\_\_  
(Name of Participant)

**SCHEDULE "B"**

**AYURCANN HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "A" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Participant)

\_\_\_\_\_  
(Name of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

**SCHEDULE "C"**

**AYURCANN HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs  
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "A" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Participant)

\_\_\_\_\_  
(Name of Participant)









