

STEM HOLDINGS, INC.

**NOTICE OF MEETING OF HOLDERS OF DEBENTURES
TO BE HELD ON NOVEMBER 29, 2023**

NOTICE IS HEREBY GIVEN that the meeting (the "**Meeting**") of the holders ("**Debentureholders**") of 8.00% senior unsecured convertible debentures (the "**Debentures**") of **STEM HOLDINGS, INC.** (the "**Corporation**") issued and outstanding under a debenture indenture dated December 27, 2018 between the Corporation and Olympia Trust Company, as supplemented by a first supplemental indenture dated as of March 6, 2020, as further supplemented by a supplemental indenture dated as of March 17, 2020, a second supplemental indenture dated April 9, 2020, a third supplemental indenture dated as of June 27, 2022, and as further supplemented from time to time (collectively, the "**Debenture Indenture**") will be held at 11:00 AM (Toronto time) on November 29, 2023 at Dentons Canada LLP, 77 King Street West, Suite 400, Toronto-Dominion Centre, Toronto, Ontario, for the following purposes:

- (a) to consider, and if thought appropriate, to approve an extraordinary resolution ("**Extraordinary Resolution**"), the full text of which is set out in the accompanying information circular (the "**Information Circular**") to amend the Debenture Indenture to: (i) reprice the Debentures from the current conversion price of C\$0.10 per share of Common Stock of the Corporation (the "**Common Shares**") to US\$0.02 per Common Share (the "**New Conversion Price**"); and (ii) permit the Corporation to force the conversion of the principal amount of the then outstanding Debentures and any accrued and unpaid interest thereon at the New Conversion Price at any time, in the sole discretion of the Corporation; and
- (b) to transact such other business as may properly come before the Meeting or any adjournment thereof.

Subject to and immediately following the passing of the Extraordinary Resolution approving the amendments to the Debenture Indenture, the Corporation intends to convert the entire principal amount of the outstanding Debentures and any accrued and unpaid interest thereon at the New Conversion Price.

The accompanying Information Circular provides additional information with respect to the matters to be considered at the Meeting and forms part of this notice of Meeting. Debentureholders are invited to attend the Meeting. Debentureholders holding Debentures as of October 30, 2023 will be entitled to vote at the Meeting.

Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this notice of Meeting. To be effective, forms of proxy must be received by 11:00 AM (Toronto time) on November 27, 2023, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays of any adjournment of the Meeting.

Pursuant to the provisions of the Debenture Indenture, any extraordinary resolution passed at the Meeting or any adjournment or postponement thereof will, if passed in accordance with the provisions of the Debenture Indenture, be binding upon all Debentureholders to which the resolution related, whether present or absent at the Meeting.

DATED this 30th day of October, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

"Matthew J. Cohen"

Matthew J. Cohen
Chief Executive Officer