

**NOTICE**

**and**

**INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

**of**

**Nextleaf Solutions Ltd.**

**NEX>TLEAF**

**to be held on**

**TUESDAY, DECEMBER 19, 2023**

## NEXTLEAF SOLUTIONS LTD.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of Shareholders (the “**Meeting**”) of Nextleaf Solutions Ltd. (“**Nextleaf**”) will be held at 250 Howe Street, 20<sup>th</sup> floor, Vancouver, British Columbia V6C 3R8 at 10:00 a.m., Pacific Standard Time, on Tuesday, December 19, 2023, for the following purposes:

1. To receive and consider the audited Financial Statements of Nextleaf for the fiscal year ended September 30, 2022, together with the auditor’s reports thereon.
2. To fix the number of directors of Nextleaf at four.
3. To elect the directors for the ensuing year.
4. To appoint an auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To approve Nextleaf’s Shareholder Rights Plan, as more particularly described in the accompanying Information Circular.
6. To transact such other business as may properly come before the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice.

If you are a registered shareholder of Nextleaf and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it with Odyssey Trust Company, United Kingdom Building, 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, or vote online at <https://login.odysseytrust.com/pxlogin>, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting.

If you are a non-registered shareholder of Nextleaf and received these materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The Company intends to hold the Meeting in person. In the event it is not possible or advisable to hold the Meeting in person or a decision is made to change the date, time or location of the Meeting, the Company will announce, by press release, alternative arrangements for the Meeting as promptly as practicable. The press release will be available under the Company’s profile on SEDAR+ ([www.sedarplus.com](http://www.sedarplus.com)). If you are planning to attend the Meeting, please check our press releases on SEDAR+ ([www.sedarplus.com](http://www.sedarplus.com)) before attending the Meeting.

DATED at Vancouver, British Columbia, as of November 20, 2023.  
By Order of the Board of Directors of  
**NEXTLEAF SOLUTIONS LTD.**

*“Emma Andrews”*  
\_\_\_\_\_  
Emma Andrews  
Chief Executive Officer

**NEXTLEAF SOLUTIONS LTD.**

304 – 68 Water Street  
Vancouver, BC V6B 1A4

**INFORMATION CIRCULAR**

(all information as at November 20, 2023, unless otherwise stated)

Nextleaf Solutions Ltd. (“**Nextleaf**” or the “**Company**”) is providing this Information Circular and a form of proxy in connection with management’s solicitation of proxies for use at the annual general and special meeting (the “**Meeting**”) of Nextleaf to be held on Tuesday, December 19, 2023, and at any adjournments thereof. Nextleaf will conduct its solicitation by mail and officers and employees of Nextleaf may, without receiving special compensation, also telephone or make other personal contact. Nextleaf will pay the cost of solicitation.

**PROXY RELATED INFORMATION**

**Appointment of Proxyholder**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of Nextleaf (the “**Management Proxyholders**”).

**A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

**Voting by Proxy**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of Nextleaf knows of no such amendments, variations or other matters to come before the Meeting.

**Completion and Return of Proxy**

Completed forms of proxy must be deposited at the office of Nextleaf’s registrar and transfer agent,

Odyssey Trust Company, United Kingdom Building, 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, or shareholders must vote online at <https://login.odysseytrust.com/pxlogin>, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chair of the Meeting elects to exercise their discretion to accept proxies deposited subsequently.

## **Non-Registered Holders**

**Only shareholders whose names appear on the records of Nextleaf as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of Nextleaf are “non-registered” shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP’s, RRIF’s, RESP’s and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, Nextleaf has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits Nextleaf to forward meeting materials directly to “non-objecting beneficial owners”. If Nextleaf or its agent has sent these materials directly to you (instead of through a Nominee), your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, Nextleaf (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

## **Revocability of Proxy**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of Nextleaf, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who have submitted a voting instruction form and wish to change their vote must arrange for their Nominees to revoke the voting instruction form on their behalf. A Nominee may have rules for**

revocation, for example, requiring a revocation at least seven days before the Meeting, and each non-registered holder should check with their nominee for revocation deadlines.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of Nextleaf consists of an unlimited number of common shares without par value. As at the date hereof, there are issued and outstanding 159,456,420 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

Persons who are registered shareholders at the close of business on November 14, 2023, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

To the knowledge of the directors and senior officers of Nextleaf, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of Nextleaf that have the right to vote in all circumstances.

## STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company’s Chief Executive Officer and Chief Financial Officer, (together, the “**Named Executive Officers**”) and any director who is not a Named Executive Officer for the financial years ended September 30, 2022 and 2023. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Paul Pedersen Director, Former Chief Executive Officer and President (1)	2022	168,000	Nil	12,000	Nil	Nil	180,000 <sup>(2)</sup>
	2023	168,000	Nil	12,000	Nil	Nil	180,000 <sup>(2)</sup>
Charles Ackerman Former Director, Chief Financial Officer and Corporate Secretary <sup>(3)</sup>	2022	56,000	Nil	7,000	Nil	Nil	63,000 <sup>(4)</sup>
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Keagan Director, Chief Financial Officer and Corporate Secretary <sup>(5)</sup>	2022	65,000	Nil	Nil	Nil	Nil	65,000
	2023	Nil	Nil	12,000	Nil	Nil	12,000

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Ryan Ko Former Chief Technology Officer (6)	2022	168,000	Nil	Nil	Nil	Nil	168,000 <sup>(7)</sup>
	2023	168,000	Nil	Nil	Nil	Nil	168,000 <sup>(7)</sup>
Emma Andrews Chief Executive Officer <sup>(8)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2023	8,653.85	Nil	Nil	Nil	Nil	8,653.85
Sam Kassem Chief Financial Officer <sup>(9)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Fred Bonner Director	2022	Nil	Nil	14,200	Nil	Nil	14,200
	2023	Nil	Nil	14,200	Nil	Nil	14,200
Tim Gillis Former Director <sup>(10)</sup>	2022	Nil	Nil	8,000	Nil	Nil	8,000
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Sherry Boodram Director	2022	Nil	Nil	12,000	Nil	Nil	12,000
	2023	Nil	Nil	12,000	Nil	Nil	12,000

- (1) Mr. Pedersen was appointed as a director, CEO and President of the Company on March 14, 2019 on completion of the Company's reverse takeover transaction and ceased being the CEO and President on September 8, 2023.
- (2) Amounts paid to Greywood Partners Ltd., Mr. Pedersen's service company. Under Greywood's consulting agreement with the Company, Mr. Pedersen can earn compensation, including bonus compensation based on certain performance milestones, of up to but no more than \$250,000 per annum. The consulting agreement was terminated on September 8, 2023.
- (3) Mr. Ackerman was appointed as CFO of the Company on March 30, 2017 and was appointed as a director and Corporate Secretary of the Company on March 14, 2019. He resigned from being a director, Corporate Secretary and CFO on April 28, 2022.
- (4) Amounts paid to Novillo Capital Limited, Mr. Ackerman's service company. Under Novillo's consulting agreement with the Company, Mr. Ackerman can earn compensation, including bonus compensation based on certain performance milestones, of up to but no more than \$180,000 per annum.
- (5) Mr. Keagan became a director, CFO and Corporate Secretary of the Company on April 28, 2022 and ceased being the CFO on September 27, 2023.
- (6) Mr. Ko was appointed as CTO of the Company on March 14, 2019 and ceased being CTO on April 4, 2022.
- (7) Amounts paid to 1142178 B.C. Ltd., Mr. Ko's service company. Under 1142178's consulting agreement with the Company, Mr. Ko can earn compensation, including bonus compensation based on certain performance milestones, of up to but no more than \$250,000 per annum.
- (8) Ms. Andrews was appointed as interim CEO and President of the Company on September 8, 2023 and as a director of the Company on September 27, 2023.
- (9) Mr. Kassem was appointed as interim CFO of the Company on September 27, 2023.
- (10) Mr. Gillis ceased to be a director on May 31, 2022.

## Stock Options and Other Compensation Securities and Instruments

No compensation securities were granted or issued to Named Executive Officers or directors during the most recently completed financial year ended September 30, 2023.

No compensation securities were exercised by Named Executive Officers or directors during the most recently completed financial year ended September 30, 2023.

## Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “**Plan**”) which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company’s long-term incentive scheme. The key features of the Plan are as follows:

- The maximum number of common shares issuable under the Plan shall not exceed 20% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options.
- The options have a maximum term of five years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.
- The exercise price of options granted under the Plan will be determined by the board of directors but will not be less than the greater of the closing market price of the Company’s common shares on the Canadian Securities Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.
- The expiry date of an option shall be the earlier of the date fixed by the Company’s board of directors on the award date, and: (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder; (b) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Company other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Company as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or a special resolution passed by the shareholders of the Company pursuant to section 128(3) of the *Business Corporations Act* (British Columbia), in which case the expiry date will be the date that the option holder ceases to be a director of the Company; (c) in the event that the option holder holds his or her option as an employee or consultant of the Company (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Company other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the British Columbia Securities Commission, the Canadian Securities Exchange or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company; and (d) in the event that the option holder holds his or her option as an employee or consultant of the Company who provides investor relations activities on behalf of the Company, and such option holder ceases to be an employee or consultant of the Company other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company.

The Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.



## Employment, Consulting and Management Agreements

### *Emma Andrews – Chief Executive Officer*

The Company is party to an employment agreement with Ms. Andrew's consulting services company. Under the agreement, Ms. Andrews is entitled to receive compensation described in the foregoing compensation table.

### *Sam Kassem – Chief Financial Officer*

The Company is party to an independent contractor agreement with Mr. Kassem's consulting services company. Under the agreement, Mr. Kassem is entitled to receive compensation as determined by the board of directors.

### *Ryan Ko – Former Chief Technology Officer*

The Company is party to a consulting agreement with Mr. Ko's consulting services company. Under the agreement, Mr. Ko is entitled to receive compensation described in the foregoing compensation table. Mr. Ko ceased his role as CTO on April 4, 2022, but he maintains a non-executive position with the Company.

### *Charles Ackerman – Former Chief Financial Officer*

The Company is party to a consulting agreement with Mr. Ackerman's consulting services company. Under the agreement, Mr. Ackerman is entitled to receive compensation based on the foregoing compensation table. Mr. Ackerman ceased his role as CFO on April 28, 2022, but he maintains a non-executive advisory role with the Company.

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

The board of directors has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers).

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's equity compensation plan information as of September 30, 2023.

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 (excluding securities reflected in second the column)
Equity compensation plans approved by securityholders	16,120,000	\$0.35	15,771,284
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>16,120,000</b>	<b>\$0.35</b>	<b>15,771,284</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director, executive officer, senior officer or nominee for director of Nextleaf or any of their associates was indebted to Nextleaf, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by Nextleaf.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular and other than transactions carried out in the ordinary course of business of Nextleaf, no informed person or proposed director of Nextleaf and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of Nextleaf's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect Nextleaf.

## MANAGEMENT CONTRACTS

Other than as described below or elsewhere in this Information Circular, there are no agreements or arrangements under which management functions of Nextleaf or any subsidiary of Nextleaf are, to any substantial degree, performed by a person other than the directors or executive officers of Nextleaf or a subsidiary of Nextleaf.

## CORPORATE GOVERNANCE DISCLOSURE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company's board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

### Board of Directors

Each of Fred Bonner and Sherry Boodram is an “independent” director, according to the definition set out in NI 52-110. Each of Paul Pedersen, Kevin Keagan and Emma Andrews are not independent as they are current and former executive officers of the Company.

The independent directors believe that their knowledge of the Company's business and their independence are sufficient to facilitate the functioning of the board independently of management. To facilitate open and candid discussion among the board's independent directors, the independent directors have the discretion to meet in private in the absence of the other directors whenever they believe it is appropriate to do so. To date, the independent directors have not held a meeting at which non-independent directors and members of management were not in attendance.

### Other Directorships

The directors of the Company are presently directors of other reporting issuers, as follows:

<u>Director</u>	<u>Other Issuers</u>
Paul Pedersen	None
Kevin Keagan	None
Fred Bonner	Myriad Metals Corp.
Sherry Boodram	None
Emma Andrews	None

### **Orientation and Continuing Education**

Management will ensure that a new appointee to the board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

### **Ethical Business Conduct**

The board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the board must comply with conflict of interest provisions in Canadian corporate law, including 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 executive officer has a material interest.

### **Nomination of Directors**

Given the Company's current stage of development and size of the board, the board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the board members, including both formal and informal discussions among board members and management of the Company.

The Company's Articles include a provision requiring advance notice of the nomination of persons to act as directors of the Company. Under this provision, subject only to the *Business Corporations Act* (British Columbia), nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice of nomination and on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set out in the advance notice provision, including without limitation that such notice must be provided to the

Company (A) in the case of an annual meeting of shareholders, not more than 65 days and not less than 30 days prior to the date of the annual meeting of shareholders (provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the 10th business day following the Notice Date); and (B) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th business day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

## **Compensation**

The Company does not have a Compensation Committee. Compensation matters for the Company’s directors and officers are dealt with by the full board. The board meets to discuss and determine director and management compensation without reference to formal objectives, criteria or analysis.

## **Other Board Committees**

The only board committee of the Company is the Audit Committee.

## **Assessments**

The board annually reviews its own performance and effectiveness. Neither the Company nor the board has determined formal means or methods to regularly assess the board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other board members, having in mind the business strengths of the individual, the purpose of originally nominating the individual to the board, and in consideration of adherence to the Company’s code of conduct in their capacity as a representative of the Company.

The board is of the view that the Company’s corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company’s method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## **AUDIT COMMITTEE DISCLOSURE**

### **General**

The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditor of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the board.

As the Company is a “venture issuer” (as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the Audit Committee and with respect to Audit Committee reporting obligations. At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the charter of the Audit Committee under the heading “Responsibilities”. At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

The Audit Committee is comprised of Emma Andrews, Fred Bonner and Sherry Boodram, all of whom are “financially literate” and two of whom are “independent”, as those terms are defined in NI 52-110. Emma Andrews is not independent. The education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member, and in particular the education or experience that provides each member with (i) an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, and (iv) an understanding of internal controls and procedures for financial reporting, is as follows:

Emma Andrews

Ms. Emma Andrews is the President and CEO of Nextleaf Solutions. Formerly serving as the Company’s Director of Marketing since June 2018 in a consulting capacity. Andrews fulfilled her duties alongside work within additional cannabis verticals including retail, harvesting technology, and product commercialization. She previously held a role as an Executive Officer for a publicly traded infused beverage company and co-founded a boutique multi-national marketing agency (with clients including Nestle) building on her 10+ years working alongside fast growth companies and emerging brands in the natural product industry. Andrews notably held a pivotal role in pioneering the plant-based protein category while at Vega, concluding in a \$550 million USD acquisition by White Wave Foods in 2015. Andrews graduated with a BA from the University of Calgary and has earned professional designations as a Registered Holistic Nutritionist (RHN) and New Product Development Professional (NPDP).

Fred Bonner

Mr. Bonner received an Honours Geology from St. Mary's University in Halifax and Masters’ Degrees in Applied Science and Urban and Rural Planning from Dalhousie University in Halifax. He is a professional geologist, a Fellow of Geoscientists Canada and a Fellow of the Society of Economic Geologists. Mr. Bonner has served as an officer and director of several reporting issuers, and in such capacities he has been responsible to review and approve their quarterly and annual financial statements.

Sherry Boodram

Dr. Sherry Boodram is the Co-Founder and CEO of CannDelta, a Toronto-based regulatory and scientific cannabis consulting company. Prior to founding CannDelta, Dr. Boodram spent several years in the Canadian federal government, most notably with Health Canada's Medical Cannabis Program and Controlled Substances Program as a Senior Regulatory Compliance and Enforcement Officer. Dr. Boodram holds a Ph.D. in Chemistry from York University, a B.Sc. (Hon) from the University of Toronto, a Certificate in Cannabis Law and Regulation from Osgoode Hall Law School of York University, and a Graduate

Certificate with Honours in Pharmaceutical Regulatory Affairs and Quality Operations from Seneca College.

## Charter

The Audit Committee’s charter is attached to this Information Circular as Appendix I.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2023	\$140,000 <sup>(1)</sup>	Nil	Nil	Nil
September 30, 2022	\$145,000	Nil	Nil	Nil

(1) Total of audit fees incurred as of the date hereof.

## FINANCIAL STATEMENTS

The audited financial statements of Nextleaf for the year ended September 30, 2022 (the “**Nextleaf Financial Statements**”), together with the auditor’s reports thereon, will be presented to the shareholders of Nextleaf at the Meeting. A form that shareholders may use to request a copy of the Nextleaf Financial Statements, together with the auditor’s reports thereon and management’s discussion and analysis of the Nextleaf Financial Statements, as well as the interim financial statements and management’s discussion and analysis of the interim financial statements, is being mailed to the shareholders with this Information Circular.

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

### Election of Directors

The directors of Nextleaf are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed.

Shareholder approval will be sought to fix the number of directors of Nextleaf at four.

The nominees for election as directors of the Company are set out below. **In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the nominees herein listed. If any of the nominees are for any reason unavailable to serve as a director, the persons named in the accompanying form of proxy shall be entitled to vote for any other individual as director in their discretion.** As of the date of this Information Circular, management of the Company is not aware that any of the proposed nominees will be unavailable to serve as director.

Name, Residence and Current Position with the Company	Principal Occupation or Employment during the Past Five Years <sup>(1)</sup>	Date Appointed <sup>(2)</sup>	Number of Common Shares
<b>Emma Andrews</b> <sup>(3)</sup> Vancouver, British Columbia, Canada Director, President and CEO	President and CEO of Nextleaf Solutions. Formerly serving as the Company’s Director of Marketing since June 2018 in a consulting capacity. Andrews fulfilled her duties alongside work within additional cannabis verticals including retail, harvesting technology, and product commercialization. She previously held a role as an Executive Officer for a publicly traded infused beverage company and co-founded a boutique multi-national marketing agency (with clients including Nestle) building on her 10+ years working alongside fast growth companies and emerging brands in the natural product industry. Andrews notably held a pivotal role in pioneering the plant-based protein category while at Vega, concluding in a \$550 million USD acquisition by White Wave Foods in 2015. Andrews graduated with a BA from the University of Calgary and has earned professional designations as a Registered Holistic Nutritionist (RHN) and New Product Development Professional (NPDP).	September 8, 2023	150,000
<b>Sam Kassem</b> Vancouver, British Columbia Canada CFO	Mr. Kassem has been serving as the CFO of the Company since October 2, 2023. He is the founder and director of Root Sciences (est. 2015), a leading distributor of cannabis processing equipment in the United States. With over a decade of expertise in the cannabis sector, Mr. Kassem has held pivotal roles, including CFO and CEO, for various public and private entities across the US and Canada.	October 2, 2023	0
<b>Fred Bonner</b> <sup>(3)</sup> Halifax, Nova Scotia, Canada Director	Director of the Company since March 2019; Chief Geologist of the Company (named “Legion Metals Corp.”, prior to completion of the reverse takeover transaction) from March 2017 to March 2019; Chief Geologist of Myriad Metals Corp., a mineral exploration company, since March 2019; director of International Battery Metals Ltd. (formerly Rheingold Exploration Corp.), a mineral exploration company, from July 2011 to August 2018; independent consultant through Eduterra Consulting since February 2015; founder and director XT Energy Group Inc. (Canada), a renewable energy company, since June 2013; founder and director of Rural Water Watch Association (a NS charity) since May 2017.	March 14, 2019	73,214
<b>Sherry Boodram</b> <sup>(3)</sup> Toronto, Ontario Canada Director	Director of the Company since October 2019; CEO of CannDelta Inc., a regulatory and scientific cannabis consulting company from May 2017 to present; Service as Director of the Canadian Association of Professionals in Regulatory Affairs, a non-profit professional development organization for regulated industries, from July 2020 to present; Director/Vice President/President, Brand Institute Inc., from May 2017 to August 2018; Senior Regulatory Compliance Officer at Health Canada, Medical Cannabis Program from October 2015 to May 2017.	October 16, 2019	0

(1) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.

(2) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.

(3) Member of the audit committee.

No director or proposed director:

- a) is, as at the date of this Information Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Company (including Nextleaf) that,
  - i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “**order**”) while that person was acting in that capacity; or
  - ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity;
- b) is, as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any Company (including Nextleaf) 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 the assets of the proposed director; or
- c) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Appointment of Auditor**

Shareholders are being asked to approve an ordinary resolution appointing Davidson & Company LLP, Chartered Professional Accountants, as auditor of Nextleaf to hold office until the close of the next annual general meeting of the shareholders, at a remuneration to be fixed by the board. In order to be effective, the ordinary resolution requires the approval of the majority of the votes cast at the Meeting in respect of the resolution. **In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants as auditor of Nextleaf and to authorize the board to fix their remuneration.**

### **Approval of Shareholder Rights Plan**

Nextleaf is a party to a shareholder rights plan agreement with Odyssey Trust Company, as rights agent, dated November 22, 2023 (the “**Rights Plan**”). The Rights Plan has the following objectives: (a) to prevent creeping acquisitions of control; (b) to give adequate time for Shareholders to properly assess a take-over bid without undue pressure; (c) to provide the Board of Directors time to consider value-enhancing alternatives to a take-over bid and to allow competing bids to emerge; and (d) to ensure that Shareholders of Nextleaf are provided equal treatment under a take-over bid. The Rights Plan is not intended to prevent take-over bids that treat Shareholders fairly and has not been adopted in response to any proposal to acquire control of Nextleaf.

Under the Rights Plan, those bids that meet certain requirements intended to protect the interests of all Shareholders are deemed to be “Permitted Bids”. Permitted Bids must be made by way of a take-over circular prepared in compliance with applicable securities laws and, among other conditions, must remain open for one hundred and five (105) days. In the event a take-over bid does not meet the Permitted Bid



requirements or a person otherwise acquires 20% or more of the outstanding Common Shares (an “**Acquiring Person**”), subject to certain exemptions, the rights will entitle Shareholders, other than any Shareholder acquiring the Common Shares, to purchase additional Common Shares at a substantial discount to the market value at the time. As a result, the investment of the Shareholder or Shareholders making the acquisition will be greatly diluted if a substantial portion of the rights are exercised.

Shareholders of the Company who are the Beneficial Owner of 20% or more of the outstanding voting shares of the Company at the time that the Rights Plan became effective are “Grandfathered Persons” and are excluded from the definition of Acquiring Person. However, if a Grandfathered Person becomes the Beneficial Owner of any additional outstanding common shares of the Company other than through the permitted share acquisitions, then the Grandfathered Person will become an Acquiring Person on the date of such acquisition. There were no Grandfathered Persons as of the effective date of the Rights Plan.

The Rights Plan does not interfere with the day-to-day operations of Nextleaf. The issuance of the Rights does not in any way alter the financial condition of Nextleaf, impede its business plans or alter its financial statements. The rights are not listed, thus the Rights Plan is not dilutive and will not have any effect on the trading of common shares. However, if a Flip-In Event occurs and the rights separate from the common shares, reported earnings per share and reported cash flow per share on a fully diluted basis may be affected. In addition, holders of rights not exercising their rights after a Flip-In Event may suffer substantial dilution.

The Rights Plan may be waived by the Board of Directors in the following circumstances:

The Board of Directors acting in good faith may waive the application of the Rights Plan in respect of the occurrence of any Flip-In Event if (i) the Board of Directors has determined that a person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (ii) the Acquiring Person has reduced its Beneficial Ownership of voting shares such that at the time of waiver the person is no longer an Acquiring Person.

The Board of Directors acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Rights Plan has not been waived, waive the application of the Rights Plan to a Flip-In Event that may occur by reason of a take-over bid made by means of a take-over bid circular to all holders of record of voting shares. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-In Event occurring by reason of such a take-over bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

The Board of Directors acting in good faith may, with the prior consent of the holders of voting shares, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Rights Plan has not been waived, if such Flip-In Event would occur by reason of an acquisition of voting shares otherwise than pursuant to a take-over bid made by means of a take-over bid circular to holders of voting shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20%, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall extend the separation time to a date subsequent to and not more than ten business days following the meeting of Shareholders called to approve such a waiver.

The Rights Plan will expire unless the Shareholders vote at the Meeting to continue its operation. At the Meeting, the Shareholders will be asked to consider and vote to approve the adoption of the Rights Plan, a summary of which is set forth in Appendix II hereto. This summary is qualified in its entirety by reference to the text of the Rights Plan, which is available upon request from the Company at Suite 304,

68 Water Street, Vancouver, British Columbia V6B 1A4 with telephone number 604-283-2301, or a copy of the Rights Plan may be obtained from Nextleaf's public disclosure documents found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Capitalized terms used herein and in the summary without express definition have the meanings ascribed thereto in the Rights Plan.

The Rights Plan will continue in effect only if it is approved by greater than 50% of the votes cast by Shareholders present in person or by proxy. If the Rights Plan is not approved it will terminate and the rights issued under it will be void.

The Board of Directors of Nextleaf recommends that Shareholders vote in favour of the Rights Plan Resolution.

At the Meeting, shareholders will be asked to approve the following ordinary resolution:

**“RESOLVED THAT:**

1. the shareholder rights plan agreement between Nextleaf and Odyssey Trust Company dated November 22, 2023, (the “**Rights Plan**”), is hereby approved; and
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to give effect to the Rights Plan and to carry out the foregoing resolution.”

**In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the approval of Nextleaf’s Rights Plan.**

**ADDITIONAL INFORMATION**

Additional information relating to Nextleaf is on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Shareholders may contact Nextleaf at (604) 283-2301 to request copies of Nextleaf’s financial statements and MD&A.

Financial information is provided in Nextleaf’s comparative financial statements and MD&A for its financial year ended September 30, 2022, which are filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Comparative financial statements and MD&A for the Company’s most recently completed financial year ended September 30, 2023, will be filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) within the prescribed time period.

## OTHER MATTERS

Neither the Nextleaf board of directors nor management of Nextleaf is aware of any matters that will be brought before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

By order of the board of directors of

**NEXTLEAF SOLUTIONS LTD.**

*“Emma Andrews”*

Emma Andrews  
Chief Executive Officer

## APPENDIX I

### AUDIT COMMITTEE CHARTER

#### General

The primary function of the Audit Committee is to assist the Board of Directors of Nextleaf (the “**Board**”) in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and Nextleaf’s external audit process and monitoring compliance with Nextleaf’s legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between Nextleaf’s external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member’s duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of Nextleaf’s financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

#### Composition of Audit Committee

The Committee membership shall satisfy the laws governing Nextleaf and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to Nextleaf.

#### Responsibilities

1. The Audit Committee shall be responsible for making the following recommendations to the Board:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for Nextleaf; and
- (b) the compensation of the external auditor.

2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

- (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

- (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
  - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
3. The Audit Committee shall review interim unaudited financial statements before release to the public.
  4. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
  5. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
  6. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to Nextleaf or its subsidiary entities by the external auditor.
  7. The Audit Committee shall ensure that adequate procedures are in place for the review of Nextleaf's public disclosure of financial information extracted or derived from Nextleaf's financial statements and shall periodically assess the adequacy of those procedures.
  8. The Audit Committee shall establish procedures for:
    - (a) the receipt, retention and treatment of complaints received by Nextleaf regarding accounting, internal accounting controls, or auditing matters; and
    - (b) the confidential, anonymous submission by employees of Nextleaf of concerns regarding questionable accounting or auditing matters.
  9. The Audit Committee shall periodically review and approve Nextleaf's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of Nextleaf.
  10. Meetings of the Audit Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

### **Authority**

The Audit Committee shall have the authority to:

1. engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. set and pay the compensation for any advisors employed by the Audit Committee; and
3. communicate directly with the external auditors.

## APPENDIX II

### SUMMARY OF SHAREHOLDER RIGHTS PLAN

#### 1. Summary of the Principal Terms of the Rights Plan

This summary is qualified in its entirety by reference to the text of the Rights Plan, which is available upon request from the Secretary of Nextleaf at Suite 304 - 68 Water Street, Vancouver, British Columbia, V6B 1A4 with telephone number 604-283-2301 or a copy of the Rights Plan may be obtained from Nextleaf's public disclosure documents found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Capitalized terms used in this summary without express definition have the meanings ascribed thereto in the Rights Plan.

#### 2. Issue of Rights

Nextleaf issued one right (a “**Right**”) in respect of each Common Share outstanding at the close of business on November 22, 2023, (the “**Record Time**”). Nextleaf will issue Rights on the same basis for each Common Share issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time (both defined below).

#### 3. Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the certificates for the Common Shares and will not be transferable separate from the Common Shares. From and after the Separation Time, the Rights will be evidenced by separate Rights Certificates which will be transferable separate from and independent of the Common Shares.

#### 4. Exercise of Rights

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder to acquire one Common Share for the Exercise Price of \$100 (subject to certain anti-dilution adjustments). This Exercise Price is expected to be in excess of the estimated maximum value of the Common Shares during the term of the Rights Plan. Upon the occurrence of a Flip-In Event (defined below) prior to the Expiration Time, each Right (other than any Right held by an “Acquiring Person”, which will become null and void as a result of such Flip-In Event) may be exercised to purchase that number of Common Shares which have an aggregate Market Price equal to twice the Exercise Price of the Rights for a price equal to the Exercise Price. Effectively, this means a Shareholder of Nextleaf (other than the Acquiring Person) can acquire additional Common Shares from the treasury at half their Market Price.

#### 5. Definition of “Acquiring Person”

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (defined below) of 20% or more of the outstanding Common Shares.

#### 6. Definition of “Beneficial Ownership”

A person is a Beneficial Owner if such person or its affiliates or associates or any other person acting jointly or in concert owns the securities at law or in equity, and has the right to acquire (immediately or within 60 days) the securities upon the exercise of any convertible securities or pursuant to any agreement, arrangement or understanding.

However, a person is not a Beneficial Owner under the Rights Plan where:

- (a) the securities have been deposited or tendered pursuant to a take-over bid, unless those securities have been accepted unconditionally for payment or exchange or have been taken up and paid for;

- (b) such person (including a fund manager, trust company, pension fund administrator, trustee or nondiscretionary client accounts of registered brokers or dealers) is engaged in the management of mutual funds or investment funds for others, as long as that person:
  - (i) holds those Common Shares in the ordinary course of its business for the account of others;
  - (ii) is not making a take-over bid or acting jointly or in concert with a person who is making a takeover bid; or
  - (iii) such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

## 7. Definition of “Separation Time”

Separation Time occurs on the tenth trading day after the earlier of:

- (a) the first date of public announcement that a person has become an Acquiring Person;
- (b) the date of the commencement or announcement of the intent of a person to commence a take-over bid (other than a Permitted Bid or Competing Bid) or such later date as determined by the Board; and
- (c) the date on which a Permitted Bid or Competing Bid ceases to qualify as such or such later date as determined by the Board.

## 8. Definition of “Expiration Time”

Expiration Time occurs on the date being the earlier of:

- (a) the time at which the right to exercise Rights is terminated under the terms of the Rights Plan (the “**Termination Time**”); and
- (b) the date immediately after Nextleaf’s annual meeting of Shareholders to be held in 2023,

or if the Rights Plan is approved at Nextleaf’s annual meeting of Shareholders in 2023, the Expiration Time occurs on the date being the earlier of the Termination Time and the date immediately after Nextleaf’s annual meeting of Shareholders to be held in 2028.

## 9. Definition of a “Flip-In Event”

A Flip-In Event occurs when a person becomes an Acquiring Person, provided however, that the Flip-In Event shall be deemed to occur at the close of business on the tenth day (or such later date as the Board may determine) after the first date of public announcement that a person has become an Acquiring Person. Upon the occurrence of a Flip-In Event, any Rights that are beneficially owned by an Acquiring Person or any of its related parties to whom the Acquiring Person has transferred its Rights, will become null and void and the Acquiring Person’s investment in Nextleaf will be greatly diluted if a substantial portion of the Rights are exercised after a Flip-In Event occurs.

## 10. Definition of “Permitted Bid”

A Permitted Bid is a take-over bid made by a person (the “**Offeror**”) pursuant to a take-over bid circular that complies with the following conditions:

- (a) the bid is made to all registered holders of Common Shares (other than Common Shares held by the Offeror), and for all Common Shares (other than the Common Shares held by the Offeror);
- (b) the Offeror agrees that no Common Shares will be taken up or paid for under the bid for at least 105 days following the commencement of the bid and that no Common Shares will be taken up or paid for unless at such date more than 50% of the outstanding Common Shares held by

Shareholders other than the Offeror and certain related parties have been deposited pursuant to the bid and not withdrawn;

- (c) the Offeror agrees that the Common Shares may be deposited to and withdrawn from the take-over bid at any time before such Common Shares are taken up and paid for; and
- (d) if, on the date specified for take-up and payment, the condition in paragraph (b) above is satisfied, the bid shall remain open for an additional period of at least 10 business days to permit the remaining Shareholders to tender their Common Shares.

#### **11. Definition of “Competing Permitted Bid”**

A Competing Permitted Bid is a take-over bid that:

- (a) is made while another Permitted Bid is in existence; and
- (b) satisfies all the requirements of a Permitted Bid except that the minimum deposit period may be shorter as prescribed by NI 62-104.

#### **12. Redemption of Rights**

The Rights may be redeemed by the Board at its option with the prior approval of the Shareholders at any time before a Flip-In Event occurs at a redemption price of \$0.000001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, Competing Bid or a bid for which the Board has waived the operation of the Rights Plan.

#### **13. Waiver**

The Board, acting in good faith, may waive the application of the Flip-In provisions of the Rights Plan to any prospective Flip-In Event which would occur by reason of a take-over bid made by a take-over bid circular to all registered holders of Common Shares. However, if the Board waives the Rights Plan with respect to a particular bid, it will be deemed to have waived the Rights Plan with respect to any other take-over bid made by a take-over bid circular to all registered holders of Common Shares before the expiry of that first bid. Other waivers of the “Flip-In” provisions of the Rights Plan will require prior approval of the Shareholders of Nextleaf. The Board may also waive the “Flip-In” provisions of the Rights Plan in respect of any Flip-In Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and has reduced its ownership to such a level that it is no longer an Acquiring Person.

#### **14. Term of the Rights Plan**

Unless otherwise terminated or if the Rights Plan is approved at Nextleaf’s annual meeting of Shareholders in 2023, the Rights Plan will expire on the date immediately after Nextleaf’s annual meeting of Shareholders to be held in 2023. If the Shareholders approve the Rights Plan, the Rights Plan will expire on the date immediately after Nextleaf’s annual meeting of Shareholders to be held in 2028.

#### **15. Amending Power**

Except for minor amendments to correct typographical errors and amendments to maintain the validity of the Rights Plan as a result of a change of law, Shareholder approval is required for amendments to the Rights Plan.

#### **16. Rights Agent**

Odyssey Trust Company.

#### **17. Rightsholder not a Shareholder**

Until a Right is exercised, the holder thereof as such will have no rights as a Shareholder of Nextleaf.