

FORFEITURE AND TRANSFER RESTRICTIONS AGREEMENT AND UNDERTAKING

TO: Cannabis Strategies Acquisition Corp. (the “Corporation”)

AND TO: Canaccord Genuity Corp. (the “Underwriter”)

RE: Forfeiture and transfer restrictions pursuant to the Corporation’s final prospectus dated December 14, 2017 (the “Prospectus”)

WHEREAS, Mercer Park CB, L.P., as the sponsor of the Corporation (the “**Sponsor**”), Kamaldeep Thindal and Charles Miles (or persons or companies controlled by them) (collectively, and together with the Sponsor, the “**Founders**”, and each a “**Founder**”), have collectively purchased 3,662,109 Class B Shares of the Corporation (assuming full exercise of the Over-Allotment Option (as defined below)) (the “**Founders’ Shares**”, which includes any Class B Shares or other securities into or for which such Founders’ Shares are converted or exchanged at the time of the qualifying transaction), for an aggregate price of \$25,000, or approximately \$0.0068 per Founders’ Share, or 0.0078 per Founders’ Share if the Over-Allotment Option is not exercised (excluding any Founders’ Warrants (as defined below), any Class B Units (as defined below) (and the Class B Shares, Warrants (as defined below) and Rights (as defined below) forming part of the Class B Units) and any shares received on the exercise thereof);

AND WHEREAS pursuant to the Prospectus, the Corporation has offered to the public in its initial public offering (the “**Offering**”) 12,500,000 Class A restricted voting units of the Corporation (or 14,375,000 Class A restricted voting units if the Over-Allotment Option is exercised in full) (the “**Class A Restricted Voting Units**”), at an offering price of \$10.00 per Class A Restricted Voting Unit, for an aggregate purchase price of \$125,000,000 (or \$143,750,000 if the Over-Allotment Option is exercised in full);

AND WHEREAS each Class A Restricted Voting Unit consists of one Class A restricted voting share of the Corporation (the “**Class A Restricted Voting Shares**”), one share purchase warrant (each, a “**Warrant**”) and one right (each, a “**Right**”);

AND WHEREAS the Corporation has granted to the Underwriter a non-transferable option to purchase up to an additional 1,875,000 Class A Restricted Voting Units, at a price of \$10.00 per Class A Restricted Voting Unit, exercisable for a period of 30 days from the closing date of the Offering, to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”);

AND WHEREAS the Sponsor has agreed to purchase under the Prospectus an aggregate of 2,500,000 Warrants (or up to a maximum of 2,734,375 Warrants if the Over-Allotment Option is exercised in full) (the “**Founders’ Warrants**”) at an offering price of \$1.00 per Founders’ Warrant that will occur simultaneously with the closing of the Offering;

AND WHEREAS the Sponsor has agreed to purchase under the Prospectus an aggregate of 250,000 Class B units (or up to a maximum of 273,438 Class B units if the Over-

Allotment Option is exercised in full) (the “**Class B Units**”) at an offering price of \$10.00 per Class B Unit that will occur simultaneously with the closing of the Offering;

AND WHEREAS each of the Founders has agreed to certain forfeiture and transfer restrictions on his or its respective Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units), Founders’ Shares and Founders’ Warrants (including any securities into or for which such Founders’ Shares are converted or exchanged at the time of the qualifying transaction), all as outlined in greater detail herein;

NOW THEREFORE in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

Section 1 Certain Defined Terms

In addition to other terms defined elsewhere in this Agreement and Undertaking, the following terms have the following meanings:

“**Agreement and Undertaking**” means this forfeiture and transfer restrictions agreement and undertaking;

“**Class B Shares**” means the Class B shares in the capital of the Corporation, including those expected to be issued and outstanding at the time of the closing of the qualifying transaction;

“**Class B Units**” means 250,000 Class B units (or up to a maximum of 273,438 Class B units if the Over-Allotment Option is exercised in full) issuable to our Sponsor at an offering price of \$10.00 per Class B Unit at the closing of the Offering, with each Class B Unit consisting of one Class B Share, one Warrant and one Right;

“**Escrow Agent**” means Odyssey Trust Company;

“**Escrow Agreement**” means the escrow agreement entered into among the Corporation, the Underwriter, and the Escrow Agent, as it may be amended, restated or assigned;

“**Exchange**” means the Aequitas NEO Exchange Inc., or any successor, assign or replacement exchange on which any of the Corporation’s securities are listed from time to time;

“**Extraordinary Dividend**” means any dividend, together with all other dividends payable in the same calendar year, that has an aggregate absolute dollar value which is greater than \$0.25 per share, with the adjustment to the applicable price (as the context may require) being a reduction equal to the amount of the excess;

“**Founders’ Warrants**” means the 2,500,000 share purchase warrants (or up to a maximum of 2,734,375 share purchase warrants if the Over-Allotment Option is exercised in full) issuable to our Sponsor at an offering price of \$1.00 per Founders’ Warrant at the closing of the Offering, with each Founders’ Warrant entitling the holder

thereof, commencing 65 days following the closing of a qualifying transaction, to purchase one Class A Restricted Voting Share (which, following the closing of the qualifying transaction, will become one Class B Share) at a price of \$11.50 per share, subject to adjustment;

“**Permitted Timeline**” means the allowable time period within which the Corporation must consummate its qualifying transaction, being 18 months from the closing of the Offering, as it may be extended to up to 36 months with shareholder approval, by ordinary resolution of the holders of the Class A Restricted Voting Shares, with approval by the Corporation’s board of directors, and with the consent (if required) of the Exchange; and provided that with 10 days’ advance notice by way of a news release, the Corporation may shorten the Permitted Timeline with the approval of its board of directors;

“**qualifying transaction**” means the acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation, as more fully described in this Prospectus; and

“**Transfer**” means the sale of, offer to sell, contract or agreement to sell, assign, gift, convey or transfer, hypothecate, pledge, grant of any option to purchase or otherwise dispose of, directly or indirectly, any right, title or interest, or the economic benefits thereof, and includes the public announcement of the intent to undertake any of the foregoing.

Capitalized terms used herein but not defined have the meanings ascribed thereto in the Prospectus. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

Section 2 Transfer Restrictions

Founders’ Shares:

Each of the Founders hereby undertakes and agrees as follows:

- (1) subject to Section 2(3), Section 2(4) and Section 3, such Founder will not Transfer any of his or its Founders’ Shares prior to completion of the qualifying transaction of the Corporation without the prior consent of the Corporation and the Underwriter;
- (2) subject to Section 2(3), Section 2(4) and Section 3, following the qualifying transaction, such Founder, without the prior consent of the Corporation and the Underwriter, will not Transfer any of his or its Founders’ Shares until the earliest of: (A) one year after the closing of the qualifying transaction; and (B) the date on which the closing price of the Class B Shares (or any securities received in exchange therefor) equals or exceeds \$12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, Extraordinary Dividends, recapitalizations and the like) for any 20 trading days within any 30-trading day period at any time following the closing of the qualifying transaction;

- (3) notwithstanding the foregoing clauses, such Founder may Transfer his or its Founders' Shares if required due to the structuring of a qualifying transaction, and in such case, this Agreement and Undertaking will apply to such securities received by such Founder in exchange therefor in connection with the qualifying transaction (including, but not limited to, such securities received by such Founder in exchange therefor pursuant to any reclassification, sub-division, consolidation, conversion, exchange, Extraordinary Dividend or distribution, or stock dividend or distribution). Such Founder further acknowledges that following completion of the qualifying transaction, his or its respective Founders' Shares may be subject to certain sale, transfer or escrow restrictions in accordance with applicable securities laws and Exchange rules; and
- (4) notwithstanding Section 2(1) (but subject to the approval of the Exchange if an actual transfer of registered title to, or beneficial ownership of, the Class B Shares is proposed prior to the completion of the qualifying transaction) and Section 2(2), Transfers of the Class B Shares are permitted as expressly provided herein and/or by our Sponsor, its affiliates and their respective permitted transferees: (i) to the Corporation's officers or directors, any affiliates or family members of any of the Corporation's officers or directors, any members of the Sponsor or their affiliates, or any affiliates of the Sponsor (for greater certainty, the Sponsor's affiliates shall include, without limitation, Mercer Park, L.P.); (ii) in the case of an individual, by gift or transfer to a member(s) of the individual's immediate family or to a trust, the beneficiary of which is a member of one of the individual's immediate family, an affiliate of such person, or in the case of any person or corporation entity, by gift or transfer to a charitable organization; (iii) in the case of an individual, by virtue of laws of descent and distribution upon the death of the individual; (iv) in the case of an individual, pursuant to a family law or similar court order; (v) by private sales or transfers made in connection with the consummation of a qualifying transaction at prices no greater than the price at which the Class B Shares were originally purchased (as adjusted as provided in (B) above); (vi) in the event of the Corporation's liquidation, bankruptcy, winding-up or dissolution prior to the completion of a qualifying transaction; (vii) in the event of completion of a liquidation, merger, arrangement, amalgamation, share exchange or other similar transaction which results in all of the holders of Class B Shares receiving in exchange for or having the right to exchange their shares of the Corporation for cash, securities or other property subsequent to the completion of a qualifying transaction; provided, however, that in the case of clauses (i) through (vii), these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions. For purposes of this Section, "Transfer" means the (i) sale of, offer to sell, contract or agreement to sell, hypothecation, pledge, grant of any option to purchase, gift or otherwise dispose of or agreement to dispose of, directly or indirectly (excluding any pledges in the ordinary course of business for bona fide financing purposes or as part of prime brokerage arrangements), (ii) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership, whether any such transaction is to be settled by delivery of securities, in cash or otherwise, or (iii) public announcement of any intention to effect any transaction specified in clause (i) or (ii). This Section 2(4) also applies to the Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units) and Founders' Warrants.

Class B Units and Founders' Warrants:

In addition to the foregoing, the Sponsor hereby undertakes and agrees as follows:

- (5) subject to Section 2(7), the Sponsor will not Transfer any of its Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units) or Founders' Warrants prior to the completion of the qualifying transaction, without the prior consent of the Corporation and the Underwriter. In addition to its acknowledgment in Section 2(3) in respect of its Founders' Shares, the Sponsor acknowledges that following completion of the qualifying transaction, its Founders' Warrants (and the Class B Shares issuable on exercise of such Founders' Warrants) may be subject to certain sale, transfer or escrow restrictions in accordance with applicable securities laws and Exchange rules;
- (6) notwithstanding Section 2(5) (but subject to the approval of the Exchange if an actual transfer of registered title to, or beneficial ownership of, the Class B Units or Founders' Warrants is proposed prior to the completion of the qualifying transaction), Transfers of the Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units) and Founders' Warrants are permitted as expressly provided herein and/or by our Sponsor, its affiliates and their respective permitted transferees in accordance with Section 2(4); and
- (7) notwithstanding the foregoing clause, the Sponsor may Transfer its Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units) or Founders' Warrants if required due to the structuring of a qualifying transaction, and in such case, this Agreement and Undertaking will apply to such securities received by such Founder in connection with the qualifying transaction (including, but not limited to, such securities received by the Sponsor pursuant to any reclassification, sub-division, consolidation, conversion, exchange, Extraordinary Dividend or distribution, or stock dividend or distribution).

General:

Each of the Founders hereby undertakes and agrees as follows:

- (8) in the event that the required consent of the Corporation and the Underwriter and the Exchange (if applicable) is obtained to permit a Transfer in accordance with this Agreement and Undertaking, as a condition to such Transfer, the undersigned shall cause any such transferee of his or its respective securities to become a party to this Agreement and Undertaking and be bound by the terms and conditions herein; and
- (9) any Transfer permitted by consent granted hereunder shall comply with applicable securities laws.

Section 3 Over-Allotment and Other Forfeiture Restrictions

Founders:

Each of the Founders hereby undertakes and agrees as follows:

- (1) up to 474,609 of the Founders' Shares, based on each Founder's pro-rata ownership portion of the Founders' Shares, are subject to forfeiture by the undersigned or his or its affiliates without compensation, depending on the extent to which the Over-Allotment Option is exercised, such that the pro-forma ownership of the Founders' Shares following any exercise of the Over-Allotment Option, partially or in full, or if there is no exercise of the Over-Allotment Option, would represent 20% of the issued and outstanding shares of the Corporation (including all Class A Restricted Voting Shares and Class B Shares, but assuming no exercise of the Warrants or conversion of the Rights);
- (2) 25% of the Founders' Shares held by each of the Founders, including such Founder, representing an aggregate of 5% of the shares issued and outstanding immediately following the conclusion of the Over-Allotment Option period (the "**Founders' Forfeiture Shares**"), will be subject to forfeiture by the Founders on the fifth anniversary of the qualifying transaction unless the closing share price of the Class B Shares (or any securities received in exchange therefor) exceeds \$13.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period at any time following the closing of the qualifying transaction;
- (3) at such time as the foregoing \$13.00 closing Class B Share (or any securities received in exchange therefor) price forfeiture condition is satisfied, the Founders' Forfeiture Shares will, as applicable, become subject to the same ongoing restrictions applicable to the other Founders' Shares at that time. Notwithstanding Section 2, the Founders' Forfeiture Shares cannot be transferred until fulfillment of the foregoing conditions in Section 3(2) and subject to all of the restrictions applicable to the other Founders' Shares herein; and
- (4) notwithstanding the foregoing clauses, such Founder may Transfer his or its Founders' Shares (including, for greater certainty, his or its Founders' Forfeiture Shares) if required due to the structuring of a qualifying transaction, and in such case, this Agreement and Undertaking will apply to such securities received by such Founder in exchange therefor in connection with the qualifying transaction (including, but not limited to, such securities received by such Founder pursuant to any reclassification, sub-division, consolidation, conversion, exchange, Extraordinary Dividend or distribution, or stock dividend or distribution).

Section 4 Additional Undertakings

Each of the Founders hereby further agrees as follows:

- (1) such Founder will not propose any amendment to the Corporation's articles of incorporation prior to the closing of a qualifying transaction that would materially adversely affect the redemption rights of the holders of Class A Restricted Voting Shares, unless the Escrow Agreement has been amended to provide holders of Class A Restricted Voting Shares with redemption rights, should such amendment of the articles proceed, that are substantially equivalent to the redemption rights that would apply to redemptions on the extension of the Permitted Timeline; and

- (2) such Founder has no right, title, interest or claim of any kind in or to any monies held in the Escrow Account or any other assets of the Corporation as a result of any liquidation of the Corporation with respect to his or its Founders' Shares, provided that such Founder shall be entitled to redemption rights (in addition to all other rights provided to holders of Class A Restricted Voting Shares) with respect to any Class A Restricted Voting Share it holds or may hold.

Section 5 Successors and Assigns

This Agreement and Undertaking shall become binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

Section 6 Severability

If any provision of this Agreement and Undertaking shall be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and Undertaking and the remaining provisions shall continue in full force and effect.

Section 7 Governing Law

This Agreement and Undertaking shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 8 Counterparts

This Agreement and Undertaking may be executed in any number of counterparts (including counterparts by facsimile), and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of this page intentionally left blank. Signature page follows.]

DATED this 21st day of December, 2017.

**MERCER PARK CB GP, LLC, as General Partner
of MERCER PARK CB, L.P., as Founder and the
Sponsor**

By: (Signed) "Jonathan Sandelman"
Jonathan Sandelman
Member

(Signed) "Spencer Burger"
Witness

(Signed) "Kamaldeep Thindal"
Kamaldeep Thindal, as Founder

(Signed) "Spencer Burger"
Witness

(Signed) "Charles Miles"
Charles Miles, as Founder