

AYR STRATEGIES INC.
(SUCCESSOR TO CANNABIS STRATEGIES ACQUISITION CORP.)
as the Corporation

and

ODYSSEY TRUST COMPANY
as the Rights Agent

SUPPLEMENT TO THE RIGHTS AGREEMENT

As of May 24, 2019

THIS SUPPLEMENT TO THE RIGHTS AGREEMENT (the “**Supplement**”) dated as of May 24, 2019

BETWEEN:

AYR STRATEGIES INC.,
continued under the laws of the Province of British Columbia
(hereinafter called the “**Corporation**”)

AND

ODYSSEY TRUST COMPANY,
a trust company incorporated under the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Calgary in the Province of Alberta (hereinafter called the “**Rights Agent**”)

RECITALS

WHEREAS:

1. The Corporation and the Rights Agent executed a rights agreement dated as of December 21, 2017 (the “**Rights Agreement**”), governing the terms of certain rights in the capital of the Corporation (the “**Rights**”, and each, a “**Right**”).
2. Pursuant to the Rights Agreement, each holder of a Right (“**Holder**”) was entitled to receive, upon conversion of such Holder’s whole Right(s), and subject to adjustment and penalties in certain circumstances in accordance with the terms and conditions of the Rights Agreement, one-tenth (1/10th) of one Class A restricted voting share of the Corporation (each, a “**Class A Restricted Voting Share**”).
3. The Rights would become convertible upon closing of the Corporation’s qualifying transaction, as defined in the Exchange’s listing manual (“**Qualifying Transaction**”), at which time the remaining Class A Restricted Voting Shares were intended to be automatically converted into Class B shares in the capital of the Corporation (“**Class B Shares**”), and therefore each whole Right would be convertible for one-tenth (1/10th) of one Class B Share, subject to adjustment in certain circumstances in accordance with the terms and conditions of the Rights Agreement.
4. The Corporation entered into definitive agreements, as amended, to concurrently acquire the target businesses of Washoe Wellness, LLC, The Canopy NV, LLC, Sira Naturals, Inc., LivFree Wellness, LLC and CannaPunch of Nevada LLC (collectively, the “**Target Businesses**”), pursuant to which the Corporation has agreed to, among other things, complete the acquisition of the Target Businesses, effect certain amendments to its articles (the “**Amendment**”) and complete the continuation of the Corporation from Ontario to British Columbia under the *Business Corporations Act* (British Columbia) and under the amended name “AYR Strategies Inc.” (collectively, the “**Transaction**”) (which will also qualify as the Corporation’s Qualifying

Transaction). The Amendment provides for: (i) the creation of an unlimited number of multiple voting shares of the Corporation ("**Multiple Voting Shares**") and of a one-time right to elect to convert the then-outstanding Class B Shares into the Multiple Voting Shares (which would occur simultaneously with the closing of the acquisitions of the Target Businesses, immediately following the redemption of the Class A Restricted Voting Shares deposited for redemption and immediately prior to the conversion of the non-redeemed Class A Restricted Voting Shares); (ii) effective simultaneously with the closing of the acquisitions of the Target Businesses, changing the designation of the Class B Shares into Subordinate Voting shares in the capital of the Corporation ("**Subordinate Voting Shares**") and adding applicable coat-tail terms (with the result that, immediately following the closing of the acquisitions of the Target Businesses, the non-redeemed Class A Restricted Voting Shares will be converted into Subordinate Voting Shares); and (iii) the elimination and removal of the Class A Restricted Voting Shares from the authorized capital of the Corporation once there are no more Class A Restricted Voting Shares issued and outstanding as a result of their redemption and/or conversion into Subordinate Voting Shares.

5. As of the closing of the Transaction (the "**Effective Time**"), among other things:
 - (a) each whole Right outstanding will represent an equivalent whole Right of the Corporation (as the resulting issuer of the Transaction); and
 - (b) each Holder of a Right outstanding will become entitled to receive, upon conversion of such Holder's whole Right in accordance with the terms of the Rights Agreement, in lieu of the one-tenth (1/10th) of one Class B Share to which such Holder was theretofore entitled upon such conversion, one-tenth (1/10th) of one Subordinate Voting Share.
6. The Transaction constitutes a Capital Reorganization (as defined in Section 4.1(1)(c) of the Rights Agreement).
7. Section 4.1(1)(d) of the Rights Agreement authorizes the Corporation and the Rights Agent to execute and deliver a supplemental agreement to give effect to a Capital Reorganization and to evidence the assumption of the Corporation, as the successor to Cannabis Strategies Acquisition Corp., of the due and punctual observance and performance of all covenants and obligations of Cannabis Strategies Acquisition Corp. under the Rights Agreement.
8. The Corporation wishes to amend the Rights Agreement in order to reflect the foregoing recitals, which are made as representations of the Corporation and not by the Rights Agent.
9. The Rights Agent has agreed to enter into this Supplement to the Rights Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those persons who are holders of Rights issued pursuant to the Rights Agreement, as modified by this Supplement to the Rights Agreement from time to time.

NOW THEREFORE THIS SUPPLEMENT TO THE RIGHTS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

**SECTION 1
DEFINITIONS AND AMENDMENTS TO RIGHTS AGREEMENT**

(1) Definitions

This Supplement to the Rights Agreement is supplemental to the Rights Agreement, and the Rights Agreement shall henceforth be read in conjunction with this Supplement to the Rights Agreement, and all the provisions of the Rights Agreement, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Rights Agreement and of this Supplement to the Rights Agreement were contained in one instrument, and the expressions used herein shall have the same meaning as is ascribed to the corresponding expressions in the Rights Agreement. Except as otherwise defined herein, all capitalized terms contained in this Supplement to the Rights Agreement (including the recitals hereto) shall have the meanings given to them in the Rights Agreement.

(2) Interpretation

On and after the date hereof, each reference to the Rights Agreement, as amended by this Supplement to the Rights Agreement, "this Rights Agreement", "Agreement", "this Agreement", "herein", "hereby", and similar references, and each reference to the Rights Agreement in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Rights Agreement, as amended hereby. Except as specifically amended by this Supplement to the Rights Agreement, all other terms and conditions of the Rights Agreement shall remain in full force and unchanged.

(3) Amendments to Rights Agreement

- (a) Recital B. of the Rights Agreement is hereby deleted in its entirety.
- (b) Recital C. of the Rights Agreement is hereby deleted in its entirety.
- (c) Recital D. of the Rights Agreement is hereby deleted in its entirety.
- (d) Recital E. of the Rights Agreement is hereby deleted in its entirety.
- (e) Recital F. of the Rights Agreement is hereby deleted in its entirety.
- (f) A new Recital B. of the Rights Agreement is hereby added to read as follows:
 - (i) "B. Cannabis Strategies Acquisition Corp., predecessor company to the Corporation, entered into definitive agreements, as amended, to concurrently acquire the target businesses of Washoe Wellness, LLC, The Canopy NV, LLC, Sira Naturals, Inc., LivFree Wellness, LLC and

CannaPunch of Nevada LLC (collectively, the “**Target Businesses**”), pursuant to which the Corporation has agreed to, among other things, complete the acquisitions of the Target Businesses, effect certain amendments to its articles (the “**Amendment**”), and complete the continuation of the Corporation from Ontario to British Columbia under the *Business Corporations Act* (British Columbia) and under the amended name “AYR Strategies Inc.” (collectively, the “**Transaction**”) (which qualified as the Corporation’s “Qualifying Transaction” (as such term is defined in the Neo Exchange Inc. Listing Manual)).”

(g) A new Recital C. of the Rights Agreement is hereby added to read as follows:

(i) “C. The Amendment provides for: (i) the creation of an unlimited number of multiple voting shares of the Corporation (“**Multiple Voting Shares**”) and of a one-time right to elect to convert the then-outstanding Class B Shares into the Multiple Voting Shares (which would occur simultaneously with the closing of the acquisitions of the Target Businesses, immediately following the redemption of the Class A Restricted Voting Shares deposited for redemption and immediately prior to the conversion of the non-redeemed Class A Restricted Voting Shares); (ii) effective simultaneously with the closing of the acquisitions of the Target Businesses, changing the designation of the Class B Shares into Subordinate Voting shares in the capital of the Corporation (“**Subordinate Voting Shares**”) and adding applicable coat-tail terms (with the result that, immediately following the closing of the acquisitions of the Target Businesses, the non-redeemed Class A Restricted Voting Shares will be converted into Subordinate Voting Shares); and (iii) the elimination and removal of the Class A Restricted Voting Shares from the authorized capital of the Corporation once there are no more Class A Restricted Voting Shares issued and outstanding as a result of their redemption and/or conversion into Subordinate Voting Shares.”

(h) A new Recital D. of the Rights Agreement is hereby added to read as follows:

(i) “D. As of the closing of the Transaction (the “**Effective Time**”), among other things:

(A) each whole Right outstanding will represent an equivalent whole Right of the Corporation (as the resulting issuer of the Transaction); and

(B) each Holder of a Right outstanding will become entitled to receive, upon conversion of such Holder’s whole Right in accordance with the terms of the Rights Agreement, and subject to adjustment and penalties in certain circumstances, one-tenth (1/10th) of one Share, being one-tenth (1/10th) of one Subordinate Voting Share of the Corporation;”

- (i) The following definitions in Section 1.1 of the Rights Agreement are hereby amended to read as follows:
- (i) **“Agreement”** or **“this Agreement”** means this Rights Agreement dated as of the date hereof between the Corporation and the Rights Agent, as amended or supplemented from time to time including by this Supplement to the Rights Agreement;
 - (ii) **“Corporation”** means AYR Strategies Inc., and includes any Successor Corporation to or of AYR Strategies Inc., which has complied with the provisions of Article 8;
 - (iii) **“Designated Jurisdictions”** means all of the provinces and territories of Canada, other than the Province of Quebec;
 - (iv) **“Effective Time”** has the meaning ascribed thereto in recital (D);
 - (v) **“Equity Shares”** means the Shares, the Multiple Voting Shares and any shares of any other class or series of the Corporation which may, from time to time, be authorized for issue if, by their terms, such shares confer on the holders thereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation beyond a fixed sum or a fixed sum plus accrued dividends;
 - (vi) **“Exchange”** means the Neo Exchange Inc. or any successor, assign or replacement exchange on which any of the Corporation’s securities are listed from time to time;
 - (vii) **“Offering”** means the initial public offering and sale of an aggregate of 13,475,000 Class A Restricted Voting Units at a price of \$10.00 per Class A Restricted Voting Unit (and which also qualified the distribution of the Class B Units and the Rights issued to the Sponsor);
 - (viii) **“Rights”** means the 13,737,188 rights of the Corporation created and issued pursuant to the Rights Agreement (together with additional Rights pursuant to further issuances by the Corporation on or after the closing date of the Transaction, if applicable), and for the time being outstanding entitling registered holders thereof to acquire, upon the valid conversion thereof and subject to adjustment in certain circumstances, one-tenth of a Share in accordance with the terms of the Rights Agreement, and **“Right”** means any one of them;
 - (ix) **“Shares”** means the Subordinate Voting Shares for which the Rights are conferred the right to acquire one-tenth of, and provided that in the event of any adjustment in accordance with the provisions of Article 4 hereof, **“Shares”** shall thereafter mean the shares or other

securities or property resulting from such adjustment, and “**Share**” means any one of them;

- (x) “**U.S. Private Placement Memorandum**” means the final U.S. private placement memorandum which contains the final prospectus of the Corporation dated December 14, 2017, pursuant to which certain Qualified Institutional Buyers purchased the Class A Restricted Voting Units in the Offering;
 - (xi) “**Warrant Agency Agreement**” means the warrant agency agreement dated as of as of December 21, 2017 between the Corporation and Odyssey Trust Company, as the warrant agent, as amended, providing for the issuance of the Warrants; and
 - (xii) “**Warrants**” means the 16,359,058 share purchase warrants of the Corporation created and issued thereunder (together with any additional Warrants pursuant to further issuances by the Corporation after the closing date of the Transaction, if applicable), and for the time being outstanding entitling registered holders thereof to acquire, upon the valid exercise for cash of each whole Warrant and subject to adjustment in certain circumstances, one Share in accordance with the terms hereof (or alternatively, the applicable number of Shares will be issuable on a “cashless” basis in accordance with the terms and conditions of the Warrant Agency Agreement), and “**Warrant**” means any one of them;
- (j) The following definitions in Section 1.1 of the Rights Agreement are hereby added to read as follows:
- (i) “**Amendment**” has the meaning ascribed thereto in recital (B);
 - (ii) “**Multiple Voting Shares**” has the meaning ascribed thereto in recital (C);
 - (iii) “**Rights Agreement**” means the rights agreement dated as of December 21, 2017, as amended, between the Corporation and Odyssey Trust Company, as rights agent, providing for the issuance of the Rights;
 - (iv) “**Subordinate Voting Shares**” has the meaning ascribed thereto in recital (C);
 - (v) “**Target Businesses**” has the meaning ascribed thereto in recital (B); and
 - (vi) “**Transaction**” has the meaning ascribed thereto in recital (B).

- (k) The definitions of “Closing of the Offering”, “Escrow Funds”, “Founders”, “Founders’ Shares”, “Founders’ Warrants”, “Over-Allotment Option”, “Permitted Timeline”, “Prospectus”, “Underwriter” and “Unit Certificate” in Section 1.1 of the Rights Agreement are hereby deleted in their entirety.
- (l) All references to “a Qualifying Transaction” or “the Qualifying Transaction” in the Rights Agreement shall be replaced with “the Transaction”, and the definition of “Qualifying Transaction” shall be deleted in its entirety.
- (m) Section 2.1(2) shall be amended to read as follows:

“Subject to the terms and conditions of this Agreement, a total of 13,737,188 Rights entitling the holders thereof to acquire up to 1,373,719 Shares are hereby confirmed as having been created (together with any additional Rights pursuant to further issuances by the Corporation in connection with or after the closing date of the Transaction, if applicable, which additional Rights will be documented by way of a treasury direction provided by the Corporation to the Rights Agent) and authorized to be issued hereunder upon the terms and conditions herein set forth and shall be executed. For greater certainty, the number of Rights authorized to be issued hereunder shall be unlimited.”
- (n) Sections 2.4(1), 2.4(2), 2.4(5), 2.4(6), 2.4(7), 2.4(8), 2.4(9) and 2.4(10) shall be deleted in their entirety, and all references to the Detachment Date in the Rights Agreement shall be deleted. For greater certainty, any provisions in the Rights Agreement that apply prior to, on or after the Detachment Date shall be read without any such requirement.
- (o) Section 2.5(2) shall be amended to read as follows:

“All Certificated Rights validly issued and Authenticated prior to the date of this Supplement to the Rights Agreement shall remain valid, subject to amendments pursuant to the terms herein. For those Rights that will be evidenced by a certificate issued after the date hereof, the form of certificate representing Rights shall be substantially as set out in Schedule “A” hereto or such other form as is authorized from time to time by the Corporation and the Rights Agent, shall be dated as of the issue date thereof, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Rights Agent, prescribe, and shall be issuable in any denomination excluding fractions. Each Rights Certificate shall be Authenticated manually on behalf of the Rights Agent. Each Rights Certificate shall be signed by either of the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer of the Corporation, whose signature shall appear on the Rights Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Rights Certificate which has the applicable signatures as hereinbefore provided shall be valid

notwithstanding that one or more of the persons whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Rights Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Rights Agent may determine.”

- (p) Section 2.6(1) shall be amended to read as follows:

“Re-registration of beneficial interests in, and transfers of, Rights held by the Depository shall be made through the book entry registration system and no Rights Certificates shall be issued in respect of such Rights except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time.”

- (q) All references to “Class B Shares” in Sections 3.2(1) and 3.2(2) shall be replaced with “Shares”.

- (r) Section 3.7 shall be deleted in its entirety.

- (s) Section 4.1(1)(c)(ii) shall be amended to replace the reference of “section 187 of the *Business Corporations Act* (Ontario)” to “section 300 of the *Business Corporations Act* (British Columbia)”.

- (t) Section 6.2 of the Rights Agreement shall be amended to read as follows:

“The Corporation covenants that it shall pay to the Rights Agent from time to time reasonable remuneration for its services hereunder and shall pay or reimburse the Rights Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Rights Agent in the administration or execution of its duties hereunder (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Rights Agent hereunder shall be finally and fully performed, except any such expenses, disbursements or advances as may arise out of or result from the Rights Agent’s gross negligence, wilful misconduct or bad faith. The Rights Agent shall not have any recourse against the securities or any other property held by it pursuant to this Agreement for payment of its fees. Any amount owing under this Section 6.2 and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Rights Agent against unpaid invoices and shall be payable upon demand. This Section 6.2 shall survive the resignation of the Rights Agent or the termination of this Agreement.”

- (u) The following last sentence of Section 11.12 (Indemnification of the Rights Agent) of the Rights Agreement is hereby deleted:

- (i) "For greater certainty, it is expressly understood that the Escrow Funds shall not be used to pay any of the Indemnified Parties' fees, expenses or disbursements, certificates or claims, and the Rights Agent acknowledges and agrees that it shall not be entitled to and waives any rights to or interest in any of the Escrow Funds in the escrow account under any circumstances."
- (v) Schedule "A" - Cannabis Strategies Acquisition Corp. Form of Rights Certificate to the Rights Agreement shall be replaced with Schedule "A" - AYR Strategies Inc. Form of Rights Certificate to this Supplement to the Rights Agreement.

SECTION 2 ADDITIONAL MATTERS

(1) Corporation's Liabilities

The Corporation hereby covenants, acknowledges and agrees that, as and from the date hereof, it shall become liable for, and shall perform the obligations of the Corporation under the Rights Agreement and, in particular but without limitation, the Corporation hereby covenants, acknowledges and agrees that, as and from the date hereof, upon written notice from the Rights Agent of the conversion of a Right(s) in accordance with the terms of the Rights Agreement, the Corporation shall cause the issuance of the necessary number of Shares necessary to settle such conversion, and shall cause the delivery thereof to the Rights Agent (or as the Rights Agent may otherwise direct the Corporation in writing).

(2) Confirmation of Rights Agreement

The Rights Agreement shall be and continue to be in full force and effect, unamended, except as provided herein, and the Corporation hereby confirms the Rights Agreement in all other respects.

(3) Acceptance of Supplement to the Rights Agreement

The Rights Agent agrees to accept the new Rights Certificates and confirms its role as Rights Agent in this Supplement to the Rights Agreement and agrees to carry out and discharge the same upon the terms and conditions in accordance with the Rights Agreement, as supplemented by this Supplement to the Rights Agreement.

(4) Governing Law

This Supplement to the Rights Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and shall be binding upon the parties hereto and their respective successors and assigns.

(5) Effective Date

This Supplement to the Rights Agreement shall take effect upon the date first above written.

(6) Counterparts

This Supplement to the Rights Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

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

IN WITNESS WHEREOF the parties hereto have executed this Supplement to the Rights Agreement.

AYR STRATEGIES INC.

By: (Signed) Jonathan Sandelman
Authorized Signatory

ODYSSEY TRUST COMPANY

By: (Signed) Dan Sander
Authorized Signatory

By: (Signed) Frank Kailik
Authorized Signatory

SCHEDULE "A"
AYR STRATEGIES INC.
FORM OF RIGHTS CERTIFICATE

Certificate No. ●
CUSIP 00249N126

Rights

"THIS RIGHT AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS. THIS RIGHT MAY NOT BE CONVERTED BY OR ON BEHALF OF A U.S. PERSON OR PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS, OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE DEFINED AS SET FORTH IN REGULATIONS UNDER THE U.S. SECURITIES ACT."

THE RIGHTS REPRESENTED HEREBY WILL BE VOID IN CERTAIN CIRCUMSTANCES AS DESCRIBED HEREIN.

THIS CERTIFICATE IS TO CERTIFY that for value received ● (herein referred to as the "Holder") is the registered holder of the number of Rights of AYR Strategies Inc. (the "Corporation") stated above, and subject to adjustment provisions as set forth in the Rights Agreement (as defined below), is entitled to acquire, following the date of the closing of the Transaction (the "Effective Time") one-tenth of one Share (as defined herein), all in the manner and subject to the restrictions and adjustments set forth in the Rights Agreement.

For purposes of this Certificate, any reference to "Shares" shall mean the Subordinate Voting Shares for which the Rights are conferred the right to acquire, provided that in the event of any adjustment in accordance with the provisions of the Rights Agreement, "Shares" shall thereafter mean the shares or other securities or property resulting from such adjustment, and "Share" means any one of them.

Any capitalized term in this Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Rights Agreement. In the event of any discrepancy between anything contained in this Rights Certificate and the terms and conditions of the Rights Agreement, the terms and conditions of the Rights Agreement shall govern.

The Rights represented by this Certificate are issued or issuable in fully registrable form only under the provisions of an Agreement (which Agreement, together with all other instruments ancillary thereto, is referred to herein as the "Rights Agreement") dated as of December 21, 2017, as amended, between a predecessor of the Corporation and Odyssey Trust Company (the "Rights Agent"). Reference is hereby made to the Rights Agreement for a full description of the rights of the holders of the Rights, the Corporation and the Rights Agent in respect thereof, and the terms and conditions upon which the Rights

evidenced hereby are issued and held, all to the same effect as if the provisions of the Rights Agreement were herein set forth. By acceptance of this Certificate, the Holder assents to all provisions of the Rights Agreement. To the extent that the terms and conditions set forth in this Certificate conflict with the terms and conditions of the Rights Agreement, the Rights Agreement shall prevail. The Corporation will furnish to the holder of this Certificate, upon request and without charge, a copy of the Rights Agreement.

The Rights Agreement provides for adjustments to certain rights of Holders including the number of Shares issuable upon conversion of the Rights upon subdivision, consolidation or reclassification of the Shares or any reclassification or capital reorganization of the Corporation. The Holder should refer to the Rights Agreement which provides for adjustments in certain other events.

The Corporation shall not be required to issue fractions of Shares or to distribute certificates which evidence the same. A Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Right or claim thereto. Any fractional Shares to which a Holder is entitled shall be rounded down to the nearest whole Share, and no cash or other consideration will be paid in lieu of fractional Shares.

The terms and conditions relating to the Rights and this Certificate may be modified, changed or added to in accordance with the provisions of the Rights Agreement. The Rights Agreement contains provisions making binding upon all Holders of Rights outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments in writing signed by the Holders entitled to acquire a specified percentage of the Shares which may be acquired pursuant to the conversion of all of the then outstanding Rights.

The holding of the Rights, as evidenced by this Certificate, shall not constitute, or be construed as conferring upon, a Holder any right or interest whatsoever as a shareholder of the Corporation except such rights as may be provided in the Rights Agreement or in this Certificate.

The Holder of this Certificate may, upon compliance with the reasonable requirements of the Rights Agent and upon surrender of this Certificate, exchange this Certificate for another Certificate or Certificates entitling the Holder thereof to receive, in the aggregate, the same number of Shares as are issuable under this Certificate.

The Rights evidenced by this Certificate may only be transferred in accordance with applicable securities laws and upon due execution and delivery to the Rights Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Rights Agreement and compliance with such other reasonable requirements as the Rights Agent may prescribe.

This Rights Certificate shall not be valid for any purpose until it has been countersigned by or on behalf of the Rights Agent under the Rights Agreement.

The registered holder of this Rights Certificate expressly acknowledges having requested, and consents to, the drawing in the English language only of this Rights Certificate

evidencing the Rights registered in his or her name and all documents relating to such Rights. Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.

Time shall be of the essence hereof.

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

IN WITNESS WHEREOF the Corporation has caused this Rights Certificate to be signed as of the ____ day of _____, 20__.

AYR STRATEGIES INC.

By: _____
Name:
Title:

This Rights Certificate is one of the Rights Certificates referred to in the Rights Agreement. Signed by the Rights Agent as of the ____ day of _____, 20__.

ODYSSEY TRUST COMPANY

By: _____
Authorized Signing Officer

CONVERSION FORM

TO: AYR STRATEGIES INC.
AND TO: ODYSSEY TRUST COMPANY

- (1) The undersigned hereby irrevocably converts his or her right to be issued the number of Shares set forth below, such Shares being issuable upon conversion of the Rights pursuant to the terms specified in the Rights and the Rights Agreement. Capitalized terms not herein defined shall have the meanings ascribed to them in the Rights Agreement.
- (2) The undersigned represents, rights and certifies as follows (one (only) of the following must be checked):
- A The undersigned holder (a) is the original United States “qualified institutional buyer”, within the meaning of Rule 144A under the U.S. Securities Act (a “Qualified Institutional Buyer”), that acquired the Rights pursuant to the Corporation’s Offering and delivered the certificate of Qualified Institutional Buyer attached to the U.S. Private Placement Memorandum in connection with its purchase of Class A Restricted Voting Units (an “Original Purchaser”), (b) is converting the Rights for its own account or for the account of the Qualified Institutional Buyer with respect to which it exercises sole investment discretion and for which it acquired the Rights, and (c) is, and such principal, if any, is, a Qualified Institutional Buyer at the time of conversion of these Rights and the representations and warranties of the holder made in the original U.S. Private Placement Memorandum including the certificate of Qualified Institutional Buyer remain true and correct as of the date of conversion of these Rights.
- B The undersigned holder is a U.S. Person (as such term is defined in Schedule 1, a “U.S. Person”) that is not an Original Purchaser and is electing to convert the Rights to acquire the number of Shares indicated below. The undersigned holder is making the representations and warranties contained in Appendix A with the intent that the Corporation and Odyssey as well as counsel to the Corporation and Odyssey rely on such representations and warranties in issuing Shares to the undersigned and the provision of any legal opinions required in connection therewith.
- C The undersigned holder (i) at the time of conversion of the Rights is not in the United States and did not execute and deliver this conversion form in the United States; and (ii) is not a U.S. Person, and is not converting the Rights for the account or benefit of a U.S. Person.

DATED as of this _____ day of _____, 20_____.

Number of Shares:

Name (full legal name of Subscriber) and Address of
Subscriber:

(telephone number)

(email address)

By:

(signature)

(please print name)

(official capacity)

Appendix A

U.S. Investor Representations

1. I acknowledge that on conversion of the Rights, I will be receiving newly issued Subordinate Voting Shares (the “**Securities**”) that will be exempt from the registration requirements of the United States Securities Act of 1933, as amended (the “**Act**”), and applicable state securities laws, and I consent to receiving such Securities.
2. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of acquiring the Securities on conversion of the Rights.
3. I understand that an investment in the Securities involves certain risks and I understand and accept such risks; I have, to the extent I believe necessary, obtained independent tax, legal and financial advice in making my investment decision in the Securities and have determined that the Securities are a suitable investment for me in light of such risks.
4. I understand that the financial statements of the Corporation have been prepared in accordance with international financial reporting standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.
5. I have had access to such information concerning the Corporation as I have considered necessary or appropriate in connection with my investment decision to acquire the Securities.
6. I acknowledge that the Securities have not been registered under the Act or any state securities acts and are instead being offered and sold in reliance on federal and state exemptions for private offerings. The Securities for which I hereby subscribe are being acquired solely for my own account, for investment and not with a view to or for the resale, distribution, subdivision or fractionalization thereof, and I have no plans to enter into, and has not entered into, any contract, undertaking, agreement or arrangement to such end. I understand and acknowledge that the Corporation has no obligation or present intention of with the United States Securities and Exchange Commission or with any state securities administrator or commission any registration statement in respect of resales of the Securities in the United States.
7. I understand and acknowledge that the Securities are “restricted securities” within the meaning of Rule 144 (“Rule 144”) under the Act, and that, if in the future I decide to offer, resell, pledge or otherwise transfer any of the Securities, such securities may be offered, sold, pledged or otherwise transferred only (a) to the Corporation; (b) in accordance with Rule 144, if available, and in compliance with any applicable state securities laws of the United States; or (c) in another transaction that does not require registration under the Act or any applicable state securities laws of the United States. I understand and acknowledge that (i) if the Corporation is deemed to have been at any time previously an issuer with no or nominal operations and no nominal assets other than cash and cash equivalents, Rule 144 under the Act may not be available for resales of the Securities and (ii) the Corporation is not obligated to make Rule 144 under the Act available for resales of the Securities.

8. I acknowledge and agree that the Securities will bear a legend substantially in the following form indicating that the resale of such securities is restricted from transfer:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (C) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS”

[Remainder of Page Intentionally Left Blank]

SCHEDULE 1

A “**U.S. Person**” means:

- (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 estate of which any executor or administrator is a U.S. person;
- (iv) Any trust of which any trustee is a U.S. person;
- (v) Any agency or branch of a foreign entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
 - (A) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Schedule 1) who are not natural persons, estates or trusts.

TRANSFER FORM

ANY TRANSFER OF RIGHTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: AYR STRATEGIES INC.
AND TO: ODYSSEY TRUST COMPANY

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

(print name and address) the Rights represented by this Rights Certificate and hereby irrevocable constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Rights Agent.

In the case of a Rights certificate that contains a United States restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made only to the Corporation;
- (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "B" to the Rights Agreement, or
- (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Rights Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Rights Agent to such effect.

In the case of a Rights certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Rights is being completed in a manner that does not require registration under the U.S. Securities Act and any applicable state securities laws. Further, the undersigned represents, warrants and certifies that the proposed transferee has been advised of the applicable restrictions on exercise of the Rights in the United States, or by or for the account or benefit of a U.S. Person.

If transfer is to a person in the United States, or to or for the account or benefit of a U.S. Person, check this box.

DATED this ____ day of _____, 20____.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

Signature of Transferor

Guarantor's Signature/Stamp

Name of Transferor

CERTAIN REQUIREMENTS RELATING TO TRANSFERS - READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from the Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guarantee" Stamp) obtained from an authorized officer of a major Canadian Schedule 1 chartered bank.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an

acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.