

EXCHANGE RIGHTS AGREEMENT

THIS EXCHANGE RIGHTS AGREEMENT (the “**Agreement**”) is made this
May 24 _____, 2019,

AMONG:

AYR STRATEGIES INC., a corporation organized
under the laws of the Province of British Columbia
 (“**CSAC**”)

and

CSAC ACQUISITION INC., a corporation organized under the laws of
the State of Nevada
 (“**Exchangeco**”)

and

**THE PERSONS IDENTIFIED ON Schedule A
HERETO** (collectively, the “**Exchangeable
Shareholders**”)

WHEREAS pursuant to the terms of the equity purchase agreement dated October 17, 2018, as amended, (the “**Purchase Agreement**”) among, *inter alia*, the Exchangeable Shareholders, CSAC and Exchangeco, Exchangeco has acquired all of the issued and outstanding equity interests of CSAC-The Canopy NV LLC (“**Canopy**”) in exchange, in part, for the issuance of non-voting exchangeable common shares of Exchangeco (and including any non-voting exchangeable common shares subsequently issued under the Purchase Agreement) (the “**Exchangeable Shares**”) to the Exchangeable Shareholders (the “**Exchange**”);

AND WHEREAS pursuant to the terms of the Purchase Agreement, the Exchangeable Shareholders have received Exchangeable Shares on the date hereof;

AND WHEREAS pursuant to the terms of and as a condition to closing of the Purchase Agreement, the Parties have agreed to execute an exchange rights agreement in the form of this Agreement;

AND WHEREAS the Exchangeable Shareholders, CSAC and Exchangeco intend that, for U.S. federal income tax purposes, the Exchange occurs concurrently and pursuant to a single, integrated plan with capital contributions to Exchangeco by Exchangeable Shareholders and CSAC (collectively, the “**Capital Contributions**”) and that the Capital Contributions be treated as a transaction described in Section 351 of the Code (defined herein).

NOW, THEREFORE, IN CONSIDERATION of the premises and the respective covenants and agreements contained herein and in the Purchase Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. In this Agreement, each term capitalized herein and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares set forth in the articles of incorporation of Exchangeco (the “**Exchangeable Share Provisions**”), unless something in the subject matter or context is inconsistent therewith.

1.2 Definitions. In this Agreement, the following terms shall have the following meanings:

“**Affiliate**” has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia), as amended, but the holders of Exchangeable Shares that are parties to this Agreement or the Support Agreement shall not be deemed to be Affiliates of CSAC or Exchangeco.

“**Agreement**” has the meaning ascribed thereto in the Recitals.

“**Automatic Exchange Rights**” means the benefit to the Exchangeable Shareholder of the obligation of CSAC to effect the automatic exchange of Exchangeable Shares for CSAC Subordinate Voting Shares pursuant to Section 2.9.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Constating Documents**” means the articles of incorporation and by-laws of Exchangeco, as amended from time to time.

“**Control Transaction**” means any of the following:

- (1) any person or group of persons acting jointly or in concert (within the meaning of Section 1.9 of National Instrument 62-104 – Take-Over Bids and Issuer Bids) (“**NI 62-104**”) acquires, directly or indirectly, control (as defined in NI 62-104) of CSAC;
- (2) the shareholders of CSAC shall have approved a merger, consolidation, recapitalization or reorganization of CSAC, or, if shareholder approval is not sought or obtained, any such transaction shall have been consummated, in either case other than any such transaction which would result in at least 50% of the total voting power represented by the voting securities of the resulting entity outstanding immediately after such transaction being beneficially owned by holders of outstanding voting securities of CSAC immediately prior to the transaction, with the voting power of each such continuing holder relative to such other continuing holders being not altered substantially in the transaction; or
- (3) the shareholders of CSAC shall approve an agreement for the sale or disposition by CSAC of all or substantially all of CSAC’s assets, except for the transfer of assets to a subsidiary of CSAC;

“**CSAC**” has the meaning ascribed thereto in the Recitals.

“**CSAC Call Notice**” has the meaning ascribed thereto in Section 5.2.

“**CSAC Rights**” and/or “**CSAC Warrants**” means the rights or warrants to acquire CSAC Subordinate Voting Shares in accordance with the terms of the applicable instrument.

“**CSAC Subordinate Voting Shares**” means the subordinate voting shares of CSAC or any other securities into which such shares may be converted.

“**Exchangeable Shares**” has the meaning ascribed thereto in the Recitals.

“**Exchangeable Share Provisions**” has the meaning ascribed thereto in Section 1.1.

“**Exchangeable Shareholders**” means initially those Persons identified on Schedule A hereto, and after the date hereof, those Persons shown from time to time in the register maintained by or on behalf of Exchangeco in respect of the Exchangeable Shares as holders of Exchangeable Shares.

“**Exchangeable Shareholder Put Event**” has the meaning ascribed thereto in Section 2.1.

“**Exchangeable Shareholders’ Put Right**” has the meaning ascribed thereto in Section 2.1.

“**Exchangeco**” has the meaning ascribed thereto in the Recitals.

“**Exchanged Shares**” has the meaning ascribed thereto in Section 2.1.

“**Insolvency Event**” means the institution by Exchangeco of any proceeding to be adjudicated a bankrupt or insolvent or to be liquidated, dissolved or wound-up, or the consent of Exchangeco to the institution of bankruptcy, insolvency, liquidation, dissolution or winding up proceedings against it, or the filing of a petition, answer or consent seeking liquidation, dissolution or winding up under any bankruptcy, insolvency or analogous laws in any jurisdiction and the failure by Exchangeco to contest in good faith any such proceedings instituted by any Person other than Exchangeco commenced in respect of Exchangeco within 30 days of becoming aware thereof, or the consent by Exchangeco to the filing of any such petition or to the appointment of a receiver, or the making by Exchangeco of a general assignment for the benefit of creditors, or the admission in writing by Exchangeco of its inability to pay its debts generally as they become due, or Exchangeco not being permitted, pursuant to solvency requirements of applicable law, to purchase any Retracted Shares pursuant to the Exchangeable Share Provisions.

“**Later Redemption Date**” has the meaning ascribed thereto in Section 4.1.

“**Legal Proceeding**” means any litigation, action, application, suit, investigation, hearing, claim, complaint, civil, administrative, regulatory or criminal proceeding, arbitration proceeding or other similar proceeding, before or by any Governmental Entity and includes any appeal or review thereof and any application for leave for appeal or review.

“**Liquidation Call Purchase Price**” has the meaning ascribed thereto in Section 3.1.

“**Liquidation Call Right**” has the meaning ascribed thereto in Section 3.1.

“**Liquidation Event**” has the meaning ascribed thereto in Subsection 2.9(1).

“**Liquidation Event Effective Date**” has the meaning ascribed thereto in Subsection 2.9(2).

“**Liquidation Event Purchase Price**” has the meaning ascribed thereto in Subsection 2.9(2).

“**Notice of Exercise**” has the meaning ascribed thereto in Section 2.3(2).

“**Officer’s Certificate**” means, with respect to CSAC, Exchangeco or any Affiliate thereof, as the case may be, a certificate signed by any officer or director of CSAC, Exchangeco or any Affiliate thereof, as the case may be.

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Entity.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; and “**Parties**” means every Party.

“**Purchase Agreement**” has the meaning ascribed thereto in the Recitals.

“**Purchased Interests**” has the meaning given to such term in the Purchase Agreement.

“**Redemption Call Event**” means the receipt by CSAC of a Redemption Notice pursuant to Article 8 of the Exchangeable Share Provisions.

“**Redemption Call Right**” has the meaning ascribed thereto in Section 4.1.

“**Redemption Call Purchase Price**” has the meaning ascribed thereto in Section 4.1.

“**Retracted Shares**” has the meaning ascribed thereto in Section 2.5.

“**Retraction Call Notice**” has the meaning ascribed thereto in Section 5.1.

“**Retraction Call Purchase Price**” has the meaning ascribed thereto in Section 5.1.

“**Retraction Call Right**” has the meaning ascribed thereto in Section 5.1.

“**Support Agreement**” means the support agreement in respect of the Exchangeable Shares between CSAC, Exchangeco, and the holders of the Exchangeable Shares who are parties to this Agreement, amended from time to time.

1.3 Headings; Article and Section References. The division of this Agreement into Articles, Sections, Subsections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to an “Article”, “Section” or “Subsection” followed by a number and/or a letter refer to the specified Article, Section or Subsection of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and

similar expressions refer to this Agreement and not to any particular Article, Section, Subsection or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

- 1.4 **Number and Gender.** Unless the context requires otherwise, words importing the singular shall include the plural and vice versa and words importing gender shall include all genders.
- 1.5 **Business Days.** If any date on which any action is required to be taken under this Agreement is not a Business Day, then such action shall be required to be taken on the next succeeding Business Day.
- 1.6 **Payments.** All payments to be made hereunder will be made without interest and less any amounts on account of tax properly withheld in accordance with applicable law and Section 13.3 of the Exchangeable Share Provisions.
- 1.7 **Currency and Currency Conversion.** The provisions of the Exchangeable Share Provisions respecting currency matters and currency conversion are incorporated by reference into this Agreement.

ARTICLE 2 EXCHANGE RIGHT

- 2.1 **Grant of Put Right.** Subject to CSAC's call rights under this Agreement, CSAC hereby grants to each of the Exchangeable Shareholders the right, exercisable upon the occurrence and during the continuance of: (i) an Insolvency Event, or (ii) subject to the Liquidation Call Right and Redemption Call Right, any event causing the automatic exchange of the Exchangeable Shares for CSAC Subordinate Voting Shares or requiring the Exchangeable Shareholders to exchange their Exchangeable Shares for CSAC Subordinate Voting Shares (each of (i) and (ii) an "**Exchangeable Shareholder Put Event**"), to require CSAC to purchase from such Exchangeable Shareholder all or any part of the Exchangeable Shares held by such Exchangeable Shareholder (the "**Exchanged Shares**"), all in accordance with the provisions of this Agreement and the Exchangeable Share Provisions (the "**Exchangeable Shareholders' Put Right**").
- 2.2 **Purchase Price.**
 - (1) The purchase price payable by CSAC for each Exchangeable Share to be purchased by CSAC upon the exercise of the Exchangeable Shareholder Put Right shall be an amount per Exchangeable Share equal to the Exchangeable Share Consideration.
 - (2) In connection with each exercise by an Exchangeable Shareholder of the Exchangeable Shareholders' Put Right, CSAC will provide to the Exchangeable Shareholders exercising such rights an Officer's Certificate setting forth the calculation of the Exchangeable Share Consideration.
 - (3) Payment of the Exchangeable Share Consideration in respect of each Exchangeable Share so purchased shall be satisfied by CSAC by (i) issuing to each holder of such Exchangeable Share the number of CSAC Subordinate Voting Shares into which

such Exchangeable Share is exchangeable in accordance with Article 5 of the Exchangeable Share Provisions (which shares shall be fully paid and shall be free and clear of any lien, claims or encumbrance) and (ii) delivering to each holder of such Exchangeable Share the Additional Amount payable thereon, less any amounts withheld on account of tax in accordance Section 13.3 of the Exchangeable Share Provisions.

2.3 Exercise Instructions.

- (1) Subject to the terms and conditions herein, an Exchangeable Shareholder shall be entitled upon the occurrence of an Exchangeable Shareholder Put Event, to exercise the Exchangeable Shareholders' Put Right with respect to all or any part of the Exchangeable Shares registered in the name of such Exchangeable Shareholder on the books of Exchangeco.
- (2) To exercise the Exchangeable Shareholders' Put Right, the Exchangeable Shareholder shall deliver to CSAC, in person or by certified or registered mail, at its principal executive office or at such other place in North America as CSAC may from time to time designate by written notice to the Exchangeable Shareholders, the certificates representing the Exchangeable Shares which such Exchangeable Shareholder desires CSAC to purchase, duly endorsed in blank, and accompanied by such other documents and instruments as may reasonably be required to effect a transfer of Exchangeable Shares under applicable law and the Constatting Documents, together with (a) a duly completed notice of exercise (the "**Notice of Exercise**") of the Exchangeable Shareholders' Put Right, in the form attached hereto as Schedule B, stating: (i) that the Exchangeable Shareholder thereby exercises the Exchangeable Shareholders' Put Rights, as applicable, so as to require CSAC to purchase from such Exchangeable Shareholder the number of Exchangeable Shares specified therein; (ii) that such Exchangeable Shareholder has good title to and owns all such Exchangeable Shares to be acquired by CSAC free and clear of all liens, claims and encumbrances; (iii) that such Exchangeable Shareholder is a resident of the United States for purposes of the Code; (iv) the name(s) in which the certificates representing CSAC Subordinate Voting Shares issuable in connection with the exercise of the Exchangeable Shareholders' Put Rights are to be issued; (v) the name(s) and address(es) of the persons to whom such certificates representing CSAC Subordinate Voting Shares should be delivered; and (vi) that it will provide CSAC or any of its Affiliates with such representations or certificates as are reasonably requested by CSAC or any of its Affiliates in order to comply with the applicable securities legislation, and (b) payment (or evidence of payment satisfactory to CSAC) of the taxes, if any, payable as contemplated by Section 7.6.
- (3) If only a part of the Exchangeable Shares represented by any certificate or certificates delivered to CSAC are to be purchased by CSAC or an Affiliate of CSAC under the Exchangeable Shareholders' Put Right, then a new certificate for the balance of such Exchangeable Shares shall be issued to such Exchangeable Shareholder by Exchangeco.

- 2.4 Delivery of CSAC Subordinate Voting Shares; Effect of Exercise.** Promptly after receipt of the certificates representing the Exchangeable Shares which the Exchangeable Shareholder desires CSAC to purchase under the Exchangeable Shareholders' Put Rights, together with such documents and instruments of transfer and a duly completed form of Notice of Exercise of the Exchangeable Shareholders' Put Right, CSAC shall deliver or cause to be delivered to the holder of such Exchangeable Shares (or to such other Persons, if any, properly designated by such Exchangeable Shareholder), the Exchangeable Share Consideration deliverable in connection with the exercise of the Exchangeable Shareholders' Put Right. At the close of business on the second Business Day after the receipt by CSAC of the Notice of Exercise in respect of the Exchangeable Shareholders' Put Right as provided in this Section 2.4, the closing of the transaction of purchase and sale contemplated hereby shall be deemed to have occurred, and the holder of such Exchangeable Shares shall be deemed to have transferred to CSAC all of its right, title and interest in and to such Exchangeable Shares, and the Exchangeable Shareholders' Put Rights and the Automatic Exchange Rights attaching thereto shall be extinguished, and the Exchangeable Shareholder shall cease to be a holder of such Exchangeable Shares, and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive its total purchase price therefor, unless such Exchangeable Share Consideration is not delivered by CSAC to such Exchangeable Shareholder (or to such other Persons, if any, properly designated by such Exchangeable Shareholder), within five Business Days of the date of the Notice of Exercise, in which case the rights of the Exchangeable Shareholder shall remain unaffected until such Exchangeable Share Consideration is so delivered and any cheque included therein is delivered and paid. Concurrently with such Exchangeable Shareholder ceasing to be a holder of Exchangeable Shares, such Exchangeable Shareholder shall be considered and deemed for all purposes to be the holder of the CSAC Subordinate Voting Shares delivered to such Exchangeable Shareholder pursuant to the Exchangeable Shareholders' Put Right.
- 2.5 Exercise of Exchangeable Shareholders' Put Right Subsequent to Retraction.** In the event that an Exchangeable Shareholder has exercised its right under the Exchangeable Share Provisions to require Exchangeco to redeem any or all of the Exchangeable Shares held by such Exchangeable Shareholder (the "Retracted Shares") and is notified by Exchangeco pursuant to the Exchangeable Share Provisions that Exchangeco is not permitted as a result of solvency requirements of applicable law to redeem all such Retracted Shares, and provided that CSAC shall not have exercised the Retraction Call Right with respect to the Retracted Shares and that the Exchangeable Shareholder has not revoked the Retraction Request delivered by the Exchangeable Shareholder to Exchangeco pursuant to the Exchangeable Share Provisions, the Retraction Request will constitute and will be deemed to constitute notice from the Exchangeable Shareholder to CSAC to exercise the Exchangeable Shareholders' Put Right with respect to those Retracted Shares which Exchangeco is unable to redeem. In any such event, Exchangeco hereby agrees with the Exchangeable Shareholder to immediately notify the Exchangeable Shareholder of such prohibition against Exchangeco redeeming all of the Retracted Shares and to immediately forward or cause to be forwarded to CSAC all relevant materials delivered by the Exchangeable Shareholder to Exchangeco in connection with such proposed redemption of the Retracted Shares (including, without limitation, a copy of the Retraction

Request delivered pursuant to the Exchangeable Share Provisions) and CSAC will thereupon purchase such shares in accordance with this Article 2.

- 2.6 Notice of Insolvency Event.** As soon as practicable but in no event later than 5 Business Days following the occurrence of an Insolvency Event or any event which with the giving of notice or the passage of time or both would be an Insolvency Event, each of CSAC and Exchangeco shall give written notice thereof to each Exchangeable Shareholder, which notice shall contain a brief statement of the right of the Exchangeable Shareholders with respect to the Exchangeable Shareholders' Put Right.
- 2.7 Call Rights.** The Liquidation Call Right, the Retraction Call Right and the Redemption Call Right are hereby acknowledged and confirmed by the Parties, and it is agreed and acknowledged that such rights are granted as part of the consideration for the obligations of CSAC and Exchangeco under this Agreement.
- 2.8 Grant of Automatic Exchange Rights.** CSAC hereby grants the Automatic Exchange Rights to the Exchangeable Shareholders.
- 2.9 Automatic Exchange on Liquidation of CSAC.**

(1) CSAC will give each Exchangeable Shareholder written notice of each of the following events (each a "**Liquidation Event**") at the time set forth below:

- (a) in the event of any determination by the board of directors of CSAC to institute voluntary liquidation, dissolution or winding-up proceedings with respect to CSAC or to affect any other distribution of assets of CSAC among its stockholders for the purpose of winding up its affairs, at least 30 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution; and
- (b) as soon as practicable but in no event later than 5 Business Days following the earlier of:
- (i) receipt by CSAC of notice of; and
- (ii) CSAC's otherwise becoming aware,

of any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of CSAC or to affect any other distribution of assets of CSAC among its stockholders for the purpose of winding up its affairs, in each case where CSAC has failed to contest in good faith any such proceeding commenced in respect of CSAC within 30 days of becoming aware thereof.

Such notice shall include a brief description of the automatic exchange of Exchangeable Shares for CSAC Subordinate Voting Shares provided for in Subsection 2.9(2).

- (2) In order that the Exchangeable Shareholders will be able to participate on a pro rata basis with the holders of CSAC Subordinate Voting Shares in the distribution of assets of CSAC in connection with a Liquidation Event, immediately prior to the effective date of a Liquidation Event (the “**Liquidation Event Effective Date**”), subject to each of the Liquidation Call Right and Exchangeable Shareholders’ Put Right (if applicable) not having been exercised, each of the then outstanding Exchangeable Shares shall be automatically exchanged for CSAC Subordinate Voting Shares and payment of the Additional Amount payable thereon. To effect such automatic exchange, CSAC shall be deemed to have purchased each Exchangeable Share outstanding on the Liquidation Event Effective Date held by Exchangeable Shareholders, and each Exchangeable Shareholder shall be deemed to have sold the Exchangeable Shares held by it at such time to CSAC, for an amount per share equal to the Exchangeable Share Consideration applicable on the Business Day prior to the Liquidation Event Effective Date (collectively, the “**Liquidation Event Purchase Price**”). In connection with the Automatic Exchange Rights, CSAC will provide to the Exchangeable Shareholders an Officer’s Certificate setting forth the calculation of the Exchangeable Share Consideration. The purchase price for each Exchangeable Share so purchased may only be satisfied by CSAC delivering or causing to be delivered to an Exchangeable Shareholder such number of CSAC Subordinate Voting Shares and the Additional Amount determined in the manner set out in Section 2.2(3) (as if such Section were in respect of the Automatic Exchange Rights) in satisfaction of the Exchangeable Share Consideration less any amounts on account of tax properly withheld in accordance with Section 13.3 of the Exchangeable Share Provisions.
- (3) On the Liquidation Event Effective Date, the closing of the transaction of purchase and sale contemplated by the automatic exchange of Exchangeable Shares shall be deemed to have occurred, and each Exchangeable Shareholder shall be deemed to have transferred to CSAC all of such Exchangeable Shareholder’s right, title and interest in and to such Exchangeable Shares and the Exchangeable Shareholders’ Put Right and the Automatic Exchange Rights attaching thereto, except that each Exchangeable Shareholder shall have the right to receive such holder’s proportionate part of the total Liquidation Event Purchase Price payable to such Exchangeable Shareholder by CSAC (less any amounts on account of tax properly withheld in accordance with Section 13.3 of the Exchangeable Share Provisions in respect of the specific Exchangeable Shareholder) upon presentation and surrender by such Exchangeable Shareholder of Exchangeable Share certificates, duly endorsed in blank and accompanied by such instruments of transfer as CSAC may reasonably require including, without limitation, a representation and warranty that the Exchangeable Shareholder is a resident of the United States for purposes of the Code. Concurrently with such Exchangeable Shareholders ceasing to be an Exchangeable Shareholder, such Exchangeable Shareholders shall be considered and deemed for all purposes to be the holders of the CSAC Subordinate Voting Shares issued to them as the Exchangeable Share Consideration pursuant to the automatic exchange of Exchangeable Shares and CSAC shall promptly deliver or cause to be delivered to the Exchangeable Shareholders certificates representing

the CSAC Subordinate Voting Shares issued to the Exchangeable Shareholder by CSAC pursuant to such automatic exchange.

- 2.10 CSAC Subordinate Voting Shares.** CSAC hereby represents, warrants and covenants that the CSAC Subordinate Voting Shares issuable as required herein will be (i) duly authorized and validly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance other than restrictions on transfer under applicable securities laws and pursuant to any agreements entered into by the Exchangeable Shareholder and (ii) freely tradeable on the NEO Exchange, a Canadian stock exchange based in Toronto, Ontario (the “**NEO Exchange**”), another Canadian stock exchange or a U.S. stock exchange (provided in the latter case, that CSAC will file a registration statement under the Securities Act of 1933, as amended, to provide for the resale of CSAC Subordinated Voting Shares held by the Exchangeable Shareholder upon the exchange of Exchangeable Shares and such CSAC Subordinated Voting Shares will no longer be subject to any lock-up periods), subject to restrictions on transfer under applicable securities laws, applicable rules, regulations and policies of the NEO Exchange or other stock exchange and pursuant to any agreements entered into by the Exchangeable Shareholders, and except if CSAC Subordinate Voting Shares are no longer listed on a permitted stock exchange as a result of a Control Transaction.
- 2.11 Restricted Securities.** The Exchangeable Shareholders acknowledge and agree that neither the Exchangeable Shares nor the CSAC Subordinate Voting Shares issuable in exchange therefor have been registered under the US Securities Act of 1933 or under any U.S. state securities laws, and therefore, will be “restricted securities” within the meaning of Rule 144(a)(3) of the US Securities Act of 1933 and may not be offered or sold in the United States or to a U.S. Person except pursuant to a registration statement under the US Securities Act of 1933 or an exemption therefrom.

ARTICLE 3 LIQUIDATION CALL RIGHT

- 3.1 Liquidation Call Right.** Subject to the requirements of Section 3.2, CSAC shall have the overriding right (the “**Liquidation Call Right**”), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of Exchangeco and notwithstanding Article 6 of the Exchangeable Share Provisions, to purchase from all, but not less than all, of the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) on the Liquidation Date all, but not less than all, of the Exchangeable Shares held by each such Exchangeable Shareholder on payment by CSAC to each such Exchangeable Shareholder an amount per Exchangeable Share equal to the Exchangeable Share Consideration applicable on the Business Day prior to the Liquidation Date (the “**Liquidation Call Purchase Price**”). In the event of the exercise of the Liquidation Call Right by CSAC each Exchangeable Shareholder (other than any Exchangeable Shareholder which is an Affiliate of CSAC) shall be obligated to sell all the Exchangeable Shares held by such Exchangeable Shareholder to CSAC on the Liquidation Date on payment by CSAC to the Exchangeable Shareholder of the Liquidation Call Purchase Price, less any amounts on account of tax properly withheld in accordance with Section 13.3 of the Exchangeable Share Provisions, for each such Exchangeable Share and Exchangeco shall have no

obligation to pay the Liquidation Amount to the holders of such Exchangeable Shares so purchased by CSAC.

- 3.2 Notice of Exercise of Liquidation Call Right.** To exercise the Liquidation Call Right, CSAC must notify the Exchangeable Shareholders and Exchangeco of CSAC's intention to exercise such right at least 30 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Exchangeco and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Exchangeco. If CSAC duly exercises the Liquidation Call Right in accordance with Sections 3.1, 3.2 and 3.3, on the Liquidation Date, CSAC will purchase and the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) will sell all of the Exchangeable Shares then outstanding for a price per Exchangeable Share equal to the Liquidation Call Purchase Price which price shall be satisfied in the manner set forth in Section 3.3, and the Exchangeable Shareholder will not receive the Liquidation Amount and under Article 6 of the Exchangeable Share Provisions.
- 3.3 Exercise of Liquidation Call Right.** For the purposes of completing the purchase of the Exchangeable Shares pursuant to the exercise of the Liquidation Call Right, CSAC shall deliver or cause to be delivered to the Exchangeable Shareholders the Liquidation Call Purchase Price for each Exchangeable Share held by such Exchangeable Shareholder, on or before the Liquidation Date, upon presentation and surrender, by delivery in person or by certified or registered mail, at the principal executive office of CSAC, or at such other place in North America as CSAC may from time to time designate by written notice to the Exchangeable Shareholders, of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be reasonably required to effect a transfer of Exchangeable Shares under applicable law and the Constating Documents, including a representation and warranty by each holder of Exchangeable Shares to be redeemed that such Exchangeable Shareholder is a Resident. Payment of the Liquidation Call Purchase Price shall be made by delivery to each Exchangeable Shareholder (other than any Exchangeable Shareholder which is an Affiliate of CSAC), at the address of the holder recorded in the register of shareholders of Exchangeco or if requested by the Exchangeable Shareholder by holding for pick-up by the holder at the principal executive office of Exchangeco, of the Exchangeable Share Consideration (satisfied in the manner set forth in Section 2.2(3)) less any amounts on account of tax properly withheld in accordance with section 13.3 of the Exchangeable Share Provisions. Upon such payment of the total Liquidation Call Purchase Price on the Liquidation Date, the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) shall thereafter be considered and deemed for all purposes to be the holders of CSAC Subordinate Voting Shares delivered to them as part or all of the Exchangeable Share Consideration notwithstanding that the certificate or certificates representing such Exchangeable Shares have not been delivered by the holder or holders thereof to CSAC.

ARTICLE 4
REDEMPTION CALL RIGHT

- 4.1 Redemption Call Right.** Upon the occurrence of a Redemption Call Event, CSAC shall have the overriding right (the “**Redemption Call Right**”), notwithstanding the proposed redemption of the Exchangeable Shares by Exchangeco pursuant to Article 8 of the Exchangeable Share Provisions, to purchase from all but not less than all of the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) on the Redemption Date or, if the Exchangeable Shares have not otherwise been redeemed or retracted by such date, any date following the Redemption Date (the “**Later Redemption Date**”), all but not less than all of the Exchangeable Shares held by each such holder on payment by CSAC to each Exchangeable Shareholder an amount per Exchangeable Share (the “**Redemption Call Purchase Price**”) equal to the Exchangeable Share Consideration on the last Business Day prior to the Redemption Date or the Later Redemption Date, as applicable. In the event of the exercise of the Redemption Call Right by CSAC, each Exchangeable Shareholder shall be obligated to sell all the Exchangeable Shares held by the Exchangeable Shareholder to CSAC on the Redemption Date or the Later Redemption Date, as applicable, on payment by CSAC to the Exchangeable Shareholder of the Redemption Call Purchase Price for each such Exchangeable Share, and Exchangeco shall have no obligation to redeem such Exchangeable Shares so purchased by CSAC.
- 4.2 Notice of Exercise of Redemption Call Right.** To exercise the Redemption Call Right, CSAC must notify (i) Exchangeco of CSAC’s intention to exercise such right within five Business Days of receiving the Redemption Notice from Exchangeco in accordance with Section 8.2(a) of the Exchangeable Share Provisions and (ii) the Exchangeable Shareholders in accordance with Subsection 8.2(b) of the Exchangeable Share Provisions as if references to Exchangeco therein were to CSAC. If CSAC exercises the Redemption Call Right then, on the Redemption Date or the Later Redemption Date, as applicable, CSAC will purchase and the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) will sell all of the Exchangeable Shares then outstanding on the Redemption Date or the Later Redemption Date, as applicable, for a price per Exchangeable Share equal to the Redemption Call Purchase Price.
- 4.3 Exercise of Redemption Call Right.** For the purposes of completing the purchase of the Exchangeable Shares pursuant to the exercise of the Redemption Call Right, CSAC shall, on or before the Redemption Date or the Later Redemption Date, as applicable, deliver or cause to be delivered to the holders of the Exchangeable Shares the Redemption Call Purchase Price for each Exchangeable Share to be purchased, upon presentation and surrender at the principal executive office of CSAC of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be reasonably required to effect a transfer of Exchangeable Shares under applicable law and the Constating Documents, including a representation and warranty by each holder of Exchangeable Shares to be purchased that such Exchangeable Shareholder is a Resident and such additional documents and instruments as CSAC or its Affiliates may reasonably require. Payment of the total Redemption Call Purchase Price for such Exchangeable Shares shall be made by delivery to each Exchangeable Shareholder (other than any

Exchangeable Shareholder which is an Affiliate of CSAC), at the address of the holder recorded in the register of shareholders of Exchangeco or if requested by the Exchangeable Shareholder by holding for pick-up by the holder at the principal executive office of Exchangeco, of the Exchangeable Share Consideration (satisfied in the manner set forth in Section 2.2(3)) less any amounts on account of tax properly withheld in accordance with Section 13.3 of the Exchangeable Share Provisions. Provided that the total Redemption Call Purchase Price is delivered or paid on the Redemption Date or the Later Redemption Date, as applicable, the Exchangeable Shareholders (other than any Exchangeable Shareholder which is an Affiliate of CSAC) shall thereafter be considered and deemed for all purposes to be the holders of CSAC Subordinate Voting Shares delivered to them. If CSAC does not exercise the Redemption Call Right in the manner described above, on the Redemption Date or the Later Redemption Date, as applicable, the holders of the Exchangeable Shares so redeemed by Exchangeco will be entitled to receive in exchange therefor the Redemption Price otherwise payable by Exchangeco pursuant to Article 8 of the Exchangeable Share Provisions.

ARTICLE 5 RETRACTION CALL RIGHT

- 5.1 Retraction Call Right.** Upon receipt by Exchangeco of a Retraction Request, Exchangeco shall immediately notify CSAC in writing thereof (a “**Retraction Call Notice**”) and shall provide to CSAC a copy of the Retraction Request. Upon receipt by CSAC of a Retraction Call Notice, CSAC shall have the right (the “**Retraction Call Right**”), notwithstanding Article 7 of the Exchangeable Share Provisions, to purchase from each such Exchangeable Shareholder that has delivered a Retraction Request on the Retraction Date all but not less than all of the Exchangeable Shares that are subject to the Retraction Request held by such holder on payment by CSAC to each such Exchangeable Shareholder an amount per Exchangeable Share (the “**Retraction Call Purchase Price**”) equal to the Exchangeable Share Consideration on the last Business Day prior to the Retraction Date.
- 5.2 Notice of Exercise of Retraction Call Right.** In order to exercise the Retraction Call Right, CSAC must notify in writing each of Exchangeco and the holder of Exchangeable Shares that has tendered a Retraction Request of its determination to exercise the Retraction Call Right (the “**CSAC Call Notice**”) within five Business Days of receiving a Retraction Call Notice. If CSAC delivers the CSAC Call Notice within such five Business Day period, and provided that the Retraction Request is not withdrawn by the holder in the manner specified in Section 7.6 of the Exchangeable Share Provisions, the Retraction Request shall thereupon be considered to be an offer by the holder to sell the Retracted Shares to CSAC in accordance with the Retraction Call Right. In such event, Exchangeco shall not redeem the Retracted Shares and CSAC shall purchase from such holder and such holder shall sell to CSAC on the Retraction Date the Retracted Shares for a purchase price per Exchangeable Share equal to the Retraction Call Purchase Price. The closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by Exchangeco of such Retracted Shares shall take place on the Retraction Date. In the event that CSAC does not deliver a CSAC Call Notice within such five (5) Business Day period, and provided that the Retraction Request is not withdrawn

by the holder in the manner specified in Section 7.6 of the Exchangeable Share Provisions, Exchangeco shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in Article 7 of the Exchangeable Share Provisions.

- 5.3 Exercise of Retraction Call Right.** For the purposes of completing the purchase of the Exchangeable Shares pursuant to the exercise of the Retraction Call Right, CSAC shall, on or before the Retraction Date, deliver or cause to be delivered to the holders of the Exchangeable Shares the Retraction Call Purchase Price for each Exchangeable Share to be purchased, upon presentation and surrender at the principal executive office of Exchangeco of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be reasonably required to effect a transfer of Exchangeable Shares under applicable law and the Constatng Documents, including a representation and warranty by each holder of Exchangeable Shares to be purchased that such Exchangeable Shareholder is a resident of the United States for purposes of the Code and such additional documents and instruments as CSAC may reasonably require. Payment of the total Retraction Call Purchase Price for such Exchangeable Shares shall be made by delivery to each Exchangeable Shareholder, at the address of the holder recorded in the register of shareholders of Exchangeco or if requested by the Exchangeable Shareholder by holding for pick-up by the holder at the principal executive office of Exchangeco, of the Exchangeable Share Consideration (satisfied in the manner set forth in Section 2.2(3)) less any amounts on account of tax properly withheld in accordance with Section 13.3 of the Exchangeable Share Provisions. Provided that the total Retraction Call Purchase Price is delivered or paid on the Retraction Date, each such Exchangeable Shareholder shall thereafter be considered and deemed for all purposes to be the holder of CSAC Subordinate Voting Shares delivered to it.

ARTICLE 6 SHAREHOLDER PROTECTIVE RIGHTS

- 6.1 CSAC Shareholder Rights.** Each Exchangeable Shareholder acknowledges and agrees that until its Exchangeable Shares are exchanged for CSAC Subordinate Voting Shares pursuant to this Agreement or the Exchangeable Share Provisions, it has no rights to vote at any meetings of shareholders of CSAC at which holders of CSAC Subordinate Voting Shares are entitled to vote or with respect to any written consents sought by CSAC from its shareholders including the holders of CSAC Subordinate Voting Shares, including those matters which, under applicable law, require the holders of CSAC Subordinate Voting Shares to vote on and/or approve as a separate class.
- 6.2 CSAC Shareholder Information.**
- (1) CSAC, its Affiliates or its representatives shall promptly mail or cause to be mailed (or otherwise communicate in the same manner as CSAC utilizes in communications to holders of CSAC Subordinate Voting Shares subject to applicable regulatory requirements) to each of the Exchangeable Shareholders copies of all mailings and communications that it sends to holders of CSAC Subordinate Voting Shares, such mailing or communication to commence on the

same day as the mailing or notice (or other communication) with respect thereto is commenced by CSAC to the holders of CSAC Subordinate Voting Shares.

- (2) Any written materials distributed by CSAC pursuant to this Section 6.2 shall be sent by mail (or otherwise communicated in the same manner as CSAC utilizes in communications to holders of CSAC Subordinate Voting Shares subject to applicable regulatory requirements) to each Exchangeable Shareholder at its address as shown on the books of Exchangeco such mailing or communication to commence on the same day as the mailing or notice (or other communication) with respect thereto is commenced by CSAC to the holders of CSAC Subordinate Voting shares.

ARTICLE 7 GENERAL

- 7.1 **Term.** This Agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares, including pursuant to the Purchase Agreement) are held by any Person other than CSAC or any of its Affiliates;
- 7.2 **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby and this Agreement shall be carried out as nearly as possible in accordance with its original terms and conditions.
- 7.3 **Amendments, Modifications.** This Agreement may not be amended or modified except by an agreement in writing executed by CSAC and Exchangeco and approved by the Exchangeable Shareholders in accordance with Article 11 of the Exchangeable Share Provisions. At all times upon the occurrence of any event, as a result of which either the CSAC Subordinate Voting Shares or the Exchangeable Shares or both are in any way to be changed, this Agreement shall prior to or simultaneously with the change be amended and modified as necessary in order that it will apply with full force and effect, *mutatis mutandis*, to all new securities into which CSAC Subordinate Voting Shares or Exchangeable Shares or both are so to be changed, and provided that such amendments and modifications do not impair the economic equivalency between the Exchangeable Shares and the CSAC Subordinate Voting Shares.
- 7.4 **Meeting to Consider Amendments.** Exchangeco, at the request of CSAC, shall call a meeting or meetings of the Exchangeable Shareholders for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 7.3. Any such meeting or meetings shall be called and held in accordance with the Constatng Documents, the Exchangeable Share Provisions and all applicable laws.
- 7.5 **Treatment of the Exchange.** The parties hereto acknowledge and agree that the Contributions occur concurrently and pursuant to a single, integrated plan and that the Contributions be treated as a transaction described in Section 351 of the Code. The parties

hereto agree to report the Contributions for all U.S. federal income tax purposes accordingly and each party hereto agrees to refrain from any action that could cause the Contributions to not qualify as an exchange under Section 351 of the Code. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the Exchangeable Shareholders have relied upon the advice of his own tax advisors and, except as may be set forth in a separate agreement among the applicable parties hereto, no party has any liability to any other for the tax consequences of the Exchange, including, without limitation, the qualification of the exchange under Section 351 of the Code.

7.6 Taxation. For purposes of this Agreement, upon any sale of Exchangeable Shares to CSAC pursuant to the Exchangeable Shareholders' Put Right, the Liquidation Call Right, the Redemption Call Right or the Retraction Call Right, the share certificate or certificates representing CSAC Subordinate Voting Shares to be delivered in connection with the payment of the total purchase price therefor shall be issued in the name of the Exchangeable Shareholder or in such names as such Exchangeable Shareholder may otherwise direct in writing, without charge to the Exchangeable Shareholder. The Exchangeable Shareholders acknowledge that Section 13.3 of the Exchangeable Share Provisions gives CSAC, Exchangeco and their Affiliates rights of withholding in respect of applicable taxes which may be required to be deducted or withheld upon the payment of a dividend or any other amounts payable to any Exchangeable Shareholder, and that Section 13.3 of the Exchangeable Share Provisions shall apply in respect of any amount of tax required to be withheld from a payment to an Exchangeable Shareholder hereunder.

7.7 Enurement. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective heirs, representatives, successors and permitted assigns.

7.8 Notices to Parties. All notices and other communications between the Parties shall be in writing and shall be deemed to have been given if delivered personally or by electronic transmission

(i) if to the Exchangeable Shareholders, to the address listed in the Exchangeco share register for each Exchangeable Shareholder, with a copy to:

Maupin, Cox & LeGoy
Attn: Kurt O. Hunsberger
4785 Caughlin Parkway
Reno, Nevada 89519
Telephone: (775)827-2000
Facsimile: (775)827-2185
Email: khunsberger@mcllawfirm.com

and (ii) if to CSAC and/or Exchangeco at the following address (or at such other address for any such Party as shall be specified in like notice):

Mercer Park CB, L.P.
c/o its General Partner, Mercer Park CB GP, LLC
Attn: Jonathan Sandelman

590 Madison Avenue, 26th Floor
New York, New York 10022
Telephone: (212) 299-7670

with a copy to:

Hodgson Russ LLP
Attn: David G Reed, Esq.
140 Pearl Street, Suite 100
Buffalo, New York 14202
Telephone: (716) 856-4000
Facsimile: (716) 849-0349
Email: DReed@hodgsonruss.com

Any notice or other communication given by electronic transmission shall be deemed to have been given and received on the date of receipt thereof unless such day is not a Business Day in which case it shall be deemed to have been given and received upon the immediately following Business Day.

- 7.9 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. The transmission by facsimile or pdf of a copy of the execution page hereof reflecting the execution of this Agreement by any Party shall be effective to evidence that Party's intention to be bound by this Agreement and that Party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.
- 7.10 Governing Law.** This Agreement shall be governed in accordance with the laws of the State of Nevada without regard to principles of conflicts of law.
- 7.11 Undertaking of CSAC.** CSAC hereby acknowledges the provisions of this Agreement and undertakes to: (i) maintain the solvency of Exchangeco while any Exchangeable Shares are held by Exchangeable Shareholders, (ii) cause Exchangeco to take all actions necessary in order for it to comply with its obligations hereunder and under the Exchangeable Share Provisions, and (iii) other than with respect to a Control Transaction or Liquidation Event, refrain from taking any actions without the prior written consent of the Exchangeable Shareholders that would require an Exchangeable Shareholder to exchange its Exchangeable Shares.
- 7.12 Dispute Resolution.** All legal and other non-financial disputes arising out of or in connection with this Agreement shall be finally settled under and administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures (as it exists on the date of this Agreement) in accordance with the dispute resolution provisions contained in the Purchase Agreement.
- 7.13 No Duplication.** Notwithstanding any provisions in this Agreement, Exchangeco's articles of incorporation, as amended, and the Support Agreement to the contrary, no Exchangeable

Shareholder shall receive duplicate rights and privileges upon the occurrence of the same event. For example, if a cash dividend is declared on the CSAC Subordinate Voting Shares, then the holders of Exchangeable Shares shall receive a comparable cash dividend under Section 3.1 of Part I of the Exchangeable Share Provisions. They shall not receive a second cash dividend under Section 3.1 of Part I of the Exchangeable Share Provisions because a cash dividend was also triggered on the CSAC voting non-exchangeable common shares (the “**Common Shares**”) under Section 2.1 of Part II of the Exchangeable Share Provisions arising from the same cash dividend declared on the CSAC Subordinate Voting Shares. This prohibition on duplication applies with respect to all dividends, distributions, rights offerings, stock splits, consolidations, recapitalization, reorganizations and any other right or privilege applicable to them. This prohibition on duplication also applies to the Common Shares.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed as of the date first above written. .

AYR STRATEGIES INC.

By: (Signed) Jonathan Sandelman
Name: Jonathan Sandelman
Title: President

CSAC ACQUISITION INC.

By: (Signed) Jonathan Sandelman
Name: Jonathon Sandelman
Title: President

EXCHANGEABLE SHAREHOLDERS

The Canopy NV LLC

By: (Signed) Mark E. Pitchford

Name: Mark E. Pitchford
Title: Manager

SCHEDULE A
EXCHANGEABLE SHAREHOLDERS

Exchangeable Shareholder	Exchangeable Shares
The Canopy NV, LLC	250,000

SCHEDULE B
NOTICE OF EXERCISE

To: AYR Strategies Inc. ("CSAC")
And To: CSAC Acquisition Inc. ("Exchangeco")
Re: Exchangeable Shares of Exchangeco

THE UNDERSIGNED holder of exchangeable shares in the capital of Exchangeco (the "Exchangeable Shares") hereby exercises the Exchangeable Shareholders' Put Right so as to require CSAC to purchase _____ [Fill in Number] Exchangeable Shares (the "Exchanged Shares") registered in the name of the undersigned, subject to the rights, privileges, restrictions and conditions attached to the Exchangeable Shares (the "Exchangeable Share Provisions"). All capitalized words used in this notice have the respective meanings assigned thereto in the Exchangeable Share Provisions. The undersigned presents and surrenders with this notice of exercise a certificate or certificates representing the Exchanged Shares. **The undersigned hereby acknowledges that a failure to present and surrender to CSAC the certificate or certificates representing the Exchanged Shares shall invalidate this notice of exercise.**

THE UNDERSIGNED hereby represents and warrants that the undersigned:

- (a) has good title to and owns all of the Exchanged Shares free and clear of all liens, claims and encumbrances;
- (b) is a resident of the United States for purposes of the Code; and
- (c) shall, if requested, provide CSAC, and/or Exchangeco with such representations or certificates as are reasonably requested by CSAC in order to comply with applicable securities legislation.

DATED this ____ day of _____, 20__.

(signed by holder of Exchanged Shares)

(print name of holder)

(print the name and address in which the certificate representing CSAC Subordinate Voting Shares is to be registered)

(print the address at which the certificate representing CSAC Subordinate Voting Shares is to be delivered - if left blank, such certificate shall be held for pick-up by the holder at the principal executive office of Exchangeco)

(print the name and address in which the certificate representing Exchangeable Shares not forming part of the Exchanged Shares, if any, is to be registered)

(print the address at which the certificate representing Exchangeable Shares not forming part of the Exchanged Shares, if any, is to be delivered - if left blank, such certificate shall be held for pick-up by the Exchangeable Shareholder of the principal executive office of Exchangeco)