

INNOCAN PHARMA CORPORATION

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON JUNE 29, 2021**

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 26, 2021

INNOCAN PHARMA CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual and special meeting (the “**Meeting**”) of the shareholders of InnoCan Pharma Corporation (the “**Corporation**”) will be held at the offices of the Corporation, 1015, 926 – 5 Avenue SW, Calgary, Alberta, T2P 0N7, Calgary, Alberta on Tuesday, June 29, 2021 at 8:30 a.m. (Calgary Time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year end dated December 31, 2020 and the accompanying report of the auditors;
2. to appoint auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the auditors’ remuneration, as more fully described in the management information circular (the “**Management Information Circular**”) accompanying this Notice of Meeting;
3. to elect the directors of the Corporation to serve until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed;
4. to amend and restate the Corporation’s stock option plan and if deemed appropriate, to pass, with or without variation, on ordinary resolution approving the Corporation’s stock option plan; and
5. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

Information relating to the items above is set forth in the Management Information Circular.

Only shareholders of record as of May 25, 2021, the record date, are entitled to notice of the Meeting and to vote at the meeting and at any adjournment or postponement thereof.

IMPORTANT

With respect to the current COVID-19 outbreak, InnoCan asks that, in considering whether to attend the meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>).

InnoCan strongly encourages shareholders not to attend the meeting in person and instead to vote their shares by proxy. Any person who is experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing or has travelled in the 14 days prior to the Meeting will not be permitted entry into the meeting. InnoCan may take additional precautionary measures in relation to the meeting in response to further developments in the COVID-19 outbreak in its sole discretion.

SHAREHOLDERS MAY DIAL INTO THE MEETING AT THE BELOW NUMBERS OR ZOOM LINK BUT WILL NOT BE PERMITTED TO VOTE BY PHONE OR USING THIS ZOOM LINK:

**+1 647 558 0588 (Toronto)
+1 587 328 1099 (Calgary)
+1 646 876 9923 US (New York)
+1 312 626 6799 US (Chicago)
+972 3 978 6688 (Israel)**

**Meeting ID: 990 8713 2255
Password: 632321**

<https://gowlingwlqca.zoom.us/j/99087132255?pwd=aXNUNWpUMWZlY05Dc0tESW1qY0pJZz09>

DISCLAIMER

ANY PERSON WHO ATTENDS THE MEETING IN PERSON DOES SO AT HIS OR HER OWN RISK AND BY ATTENDING THE MEETING IN PERSON, SUCH PERSON ACKNOWLEDGES AND AGREES THAT THE CORPORATION AND THE DIRECTORS, OFFICERS AND AGENTS THEREOF ARE NOT LIABLE TO THE PERSON FOR ANY ILLNESSES OR OTHER ADVERSE REACTIONS THAT MAY RESULT FROM SUCH PERSON'S ATTENDANCE AT THE MEETING. ANY PERSON WHO ATTEMPTS TO ENTER THE MEETING BUT IS DENIED ENTRY ACKNOWLEDGES AND AGREES THAT HE, SHE OR IT SHALL HAVE NO CLAIM AGAINST THE CORPORATION OR ITS, DIRECTORS OFFICERS OR AGENTS FOR SUCH DENIAL OF ENTRY INTO THE MEETING.

If you do not expect to attend and would like your common shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Odyssey Trust Company, at its principal office at Stock Exchange Tower, 1230-300 5th Avenue SW, Calgary, Alberta T2P 3C4 or by email at proxy@odysseytrust.com not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairman of the Meeting in his discretion and the Chairman is under no obligation to accept or reject any particular late instruments of proxy.

DATED at Toronto, Ontario this 26th day of May, 2021.

By Order of the Board of Directors of InnoCan Pharma Corporation

(signed) "*Iris Bincovich*"

Iris Bincovich

Chief Executive Officer

**INNOCAN PHARMA CORPORATION
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

This management information circular (this “**Management Information Circular**”) is provided in connection with the solicitation of proxies by management of InnoCan Pharma Corporation (the “**Corporation**” or “**InnoCan**”) for use at the Annual and Special Meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) in the capital of the Corporation. The Meeting will be held at the offices of the Corporation, 1015, 926 – 5 Avenue SW, Calgary, Alberta, T2P 0N7, Calgary, Alberta on Tuesday, June 29, 2021 at 8:30 a.m. (Calgary Time), or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual and special meeting accompanying this Management Information Circular (the “**Notice**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings or securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Accompanying this Management Information Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (“**Instrument of Proxy**”). Each Shareholder who is entitled to attend at Shareholders’ meetings is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

Unless otherwise stated, the information contained in this Management Information Circular is given as of May 26, 2021 (the “**Effective Date**”).

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy to the registered office of the Corporation Odyssey Trust Company (the “**Transfer Agent**”) either in person, or by mail or courier, to Stock Exchange Tower, 1230-300 5th Avenue SW, Calgary, Alberta T2P 3C4 or by email to proxy@odysseytrust.com.

The persons named as proxyholders in the Instrument of Proxy accompanying this Management Information Circular are directors or officers of the Corporation and are

representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his or her representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, instruments of proxy must be received by the Transfer Agent (the address is stated above or in the Instrument of Proxy) at least 48 hours prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a form of proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late form of proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or Odyssey Trust Company (the "Transfer Agent") either in person, or by mail or courier, to Stock Exchange Tower, 1230-300 5th Avenue SW, Calgary, Alberta T2P 3C4, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The form of proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy.

The Common Shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such Common Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Instrument of Proxy will be voted in favour of the election of nominees set forth in this Management Information Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the Effective Date, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who are registered shareholders (that is, shareholders whose names appear on the records maintained by the registrar and transfer agent for the Common Shares as registered holders of Common Shares) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate

responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“BFS”) in Canada. BFS typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to BFS, or otherwise communicate voting instructions to BFS (by way of the Internet or telephone, for example). BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a BFS voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to BFS (or instructions respecting the voting of Common Shares must otherwise be communicated to BFS) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, CDS & Co. or another intermediary, the Beneficial Shareholder may attend the Meeting as proxyholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder, should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of May 25, 2021 (the “**Record Date**”) are entitled to receive notice and attend and vote at the Meeting. As at the Effective Date, the Corporation had 220,779,349 issued and outstanding Common Shares. These Common Shares are the only voting shares of the Corporation.

To the knowledge of the directors and officers of the Corporation, as at the Effective Date, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Tamar Innovest Limited ⁽¹⁾ (formerly, Solsken Limited)	40,818,097	18.49%

- (1) A company that is managed by Ralph Bossino who is a director of the Corporation. Mr. Bossino is also Chief Executive Officer and a director of Tamar Innovest Limited.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Information Circular, no director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial period ended December 31, 2020, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation, except as disclosed in this Management Information Circular.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Management Information Circular, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation's executive compensation is intended to be consistent with the Corporation's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors and the Corporation's performance. The Corporation's executive compensation is intended to provide an appropriate overall compensation package that permits the Corporation to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Corporation. The Corporation's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Compensation for the NEOs is intended to reflect a fair evaluation of overall performance.

The Board of Directors considered the following objectives when reviewing annual compensation: (i) retaining individuals critical to the growth and overall success of the Corporation; (ii) rewarding achievements of individuals; (iii) providing fair and competitive compensation; and (iv) compensating individuals based on their performance.

The Board of Directors would consider the foregoing compensation philosophy, as well as the financial performance of the Corporation as a whole, in any review of base salaries. The base salary review for the NEO is based on an assessment of factors such as current market conditions and particular skills, including leadership ability and management effectiveness, experience, responsibility and proven or expected performance.

The Board of Directors has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board of Directors as a whole. The Board of Directors also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board of Directors plans to review compensation of senior management on an annual basis.

The Corporation is aware that compensation practices can have unintended risk consequences. At the present time, the Board of Directors is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

When determining individual compensation levels for the Corporation's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Corporation, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Corporation has adopted the Option Plan to assist the Corporation in attracting, retaining and motivating directors, officers, employees, consultants and contractors of the Corporation and of its Affiliates and to closely align the personal interests of such service providers with the interests of the Corporation and its shareholders. As of the date of this Circular, the Corporation has granted 18,278,708 Options. See "Compensation Securities".

Director and Named Executive Officer Compensation, excluding Compensation Securities

For the purposes of this Management Information Circular, a "Named Executive Officer" or "NEO" of the Corporation means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer, other than the individuals identified above, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 52-102F6V, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year.

The Corporation had four (4) Named Executive Officers during the financial year ended December 31, 2020, being Iris Bincovich, the Corporation's current CEO, Nelson Halpern, the Corporation's CFO, Ron Mayron, the Corporation's chairman of the board of directors and Yoram Drucker, the VP Business Development of InnoCan Pharma Ltd.

The table below sets out particulars of compensation of each Named Executive Officer, followed by any director who is not a Named Executive Officer, for each of the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, or commission (USD\$)	Bonus (USD\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (USD\$)	Total compensation (USD\$)
Iris Bincovich Chief Executive Officer	2020	223,000	40,000	Nil	Nil	98,000	361,000
	2019	219,000	52,000	Nil	Nil	113,000	384,000
Nelson Halpern Chief Financial Officer ⁽¹⁾	2020	41,000	Nil	Nil	Nil	Nil	41,000
	2019	41,000 ⁽¹⁾	Nil	Nil	Nil	Nil	41,000
Ron Mayron Chairman of Board of Directors	2020	110,000	40,000	Nil	Nil	57,000	207,000
	2019	114,000	52,000	Nil	Nil	64,000	230,000
Yoram Drucker VP Business Development InnoCan Pharma Ltd.	2020	155,000	40,000	Nil	Nil	66,000	261,000
	2019	173,000	52,000	Nil	Nil	64,000	289,000

Notes:

- 1) Commercial consulting agreement with the Corporation as Chief Financial Officer entered into effect in 2019.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer of the Corporation for the most recently completed financial year (ended December 31, 2020).

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion, or exercise price (CAD\$)	Closing price of security or underlying security on date of grant (CAD\$)	Closing price of security or underlying security at year end (CAD\$)	Expiry date
Iris Bincovich Chief Executive Officer, Director	Stock options	400,000	11/06/20	0.16	0.16	0.335	11/06/25

Compensation Securities							
<u>Name and Position</u>	<u>Type of compensation security</u>	<u>Number of compensation securities, number of underlying securities, and percentage of class</u>	<u>Date of issue or grant</u>	<u>Issue, conversion, or exercise price (CAD\$)</u>	<u>Closing price of security or underlying security on date of grant (CAD\$)</u>	<u>Closing price of security or underlying security at year end (CAD\$)</u>	<u>Expiry date</u>
Nelson Halpern <i>Chief Financial Officer</i>	Stock options	100,000	11/06/20	0.16	0.16	0.335	11/06/25
Ron Mayron <i>Executive Chairman</i>	Stock options	250,000	11/06/20	0.16	0.16	0.335	11/06/25
Yoram Drucker <i>Director, Executive Vice President, Business Development</i>	Stock options	410,000	11/06/20	0.16	0.16	0.335	11/06/25
Eyal Flom <i>Director and Corporate Secretary</i>	Stock options	200,000	11/06/20	0.16	0.16	0.335	11/06/25
Peter Bloch <i>Director</i>	Stock options	400,000 100,000	19/04/20 02/07/20	0.16 0.16	0.16 0.155	0.335	19/04/25 02/07/25
Ralph Bossino <i>Director</i>	Stock options	100,000	02/07/20	0.16	0.155	0.335	02/07/25
Joshua Lintern <i>Director</i>	Stock options	100,000	02/07/20	0.16	0.155	0.335	02/07/25

Stock Option Plans and Other Incentive Plans

Stock Options

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

- the maximum number of Common Shares issuable under the Option Plan shall not exceed 15% of the number of Common Shares issued and outstanding as of each award date,

inclusive of all Common Shares reserved for issuance pursuant to previously granted Options;

- the Options have a maximum term of five (5) years from the date of issue;
- Options vest as the Board of Directors may determine upon the award of the Options;
- the exercise price of Options granted under the Option Plan will be determined by the Board of Directors, but will not be less than the greater of the closing market price of the Common Shares on the CSE on (i) the trading day prior to the date of grant of the Options; and (ii) the date of grant of the Options; and
- the expiry date of an Option shall be the earlier of the date fixed by the Board of Directors on the award date, and:
 - (i) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the Option holder;
 - (ii) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Corporation other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Corporation as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 105 of the CBCA or an ordinary resolution is passed by the shareholders of the Corporation pursuant to section 109 of the CBCA, in which case the expiry date will be the date that the option holder ceases to be a director of the Corporation;
 - (iii) in the event that the option holder holds his or her Options as an employee or consultant of the Corporation (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Corporation other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the Alberta Securities Commission, the CSE or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Corporation; and
 - (iv) in the event that the option holder holds his or her Options as an employee or consultant of the Corporation who provides investor relations activities on behalf of the Corporation, and such option holder ceases to be an employee or consultant of the Corporation other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Corporation.

The Option Plan may be terminated at any time by resolution of the Board of Directors, but any such termination will not affect or prejudice rights of participants holding Options at that time. If

the Option Plan is terminated, outstanding Options will continue to be governed by the provisions of the Option Plan.

At the meeting, shareholders of the Corporation will be asked to approve an ordinary resolution ratifying, confirming, and approving the amendment to the Corporation's existing Option Plan that contemplates the issuance of restricted shares and restricted share units. See "Matters to be Considered at the Meeting – Amendment to the Stock Option Plan".

Deferred Share Units

A Deferred Share Unit Plan (the "**DSU Plan**") was approved as an alternative form of compensation for outside directors. Under the DSU Plan, directors can receive their retainer and meeting fees as deferred share units ("**DSUs**"). The number of DSUs issued to directors will be equal to the director's retainer and fees for the period divided by the current market price of the Common Shares on the day prior to the last day of the applicable quarter. A DSU is a bookkeeping entry that tracks the value of one Common Share. DSUs are settled by a cash payment when the director leaves the Board, providing an ongoing alignment of interests between directors of the Corporation and Shareholders during the director's term of service. The cash payment equals the number of DSUs held by the director multiplied by the current market price of the Common Shares on the date of redemption.

Under the terms of the DSU Plan, DSUs awarded will vest immediately upon grant and will not be subject to satisfaction of any requirements as to any minimum period of membership on the Board. No amount will be paid to a director under the DSU Plan or any other arrangement, and no additional DSUs will be granted to a director to compensate for a downward fluctuation in the market value of the Common Shares. In the event cash dividends are paid to holders of Common Shares, additional DSUs will be granted to holders of DSUs in numbers calculated by dividing the dividends that would have been paid if the DSUs granted as at the record date for the dividend had been Common Shares by the current market price for Common Shares on the trading day immediately prior to the date of payment. The Board may, in its sole discretion, terminate or modify the percentage of fees to be awarded as DSUs to a director, in which case the director would receive all or a portion of the retainer and fee compensation in cash.

Employment, Consulting, and Management Agreements

Iris Bincovich Employment Agreement

InnoCan Pharma Ltd has entered into an employment agreement with Iris Bincovich on October 1, 2018 (the "**Bincovich Employment Agreement**"). Under the Bincovich Employment Agreement, Ms. Bincovich is employed as Chief Executive Officer of InnoCan Pharma Ltd. The Bincovich Employment Agreement provides for an annual salary of \$180,000. Ms. Bincovich will receive a signing bonus of 194,400 Israeli New Shekels ("**NIS**"). The employment agreement is for a fixed term of three (3) years from October 1, 2018 and automatically renews for one (1) year periods thereafter unless terminated in accordance with the terms thereof.

Ms. Bincovich is entitled to be granted options to purchase 1,500,000 shares of common stock of InnoCan Pharma Corp., exercisable at any time during a period of five years from the effective date. Ms. Bincovich is entitled to be granted an additional option to purchase 250,000 shares of common stock at the same price of the crowd funding share price upon such events as set out in the Bincovich Employment Agreement. Further, Ms. Bincovich is entitled to be granted an additional option to purchase 500,000 shares of common stock of the company at the same price of the crowd funding share price if the company raises US\$10,000,000 or the company reaching

US\$8M gross profit, the earlier of. The Bincovich Employment Agreement contains a noncompetition and non-solicitation clause which restrictions are applicable during the term of the agreement and for a period of 12 months from termination. The Bincovich Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Ms. Bincovich calculated on the basis of her base salary; in this case with respect to pension arrangements of 6% by Ms. Bincovich and 6.5% by InnoCan Pharma Ltd. and with respect to savings (education fund and others), 2.5% from Ms. Bincovich and 7.5% from InnoCan Pharma Ltd, subject to applicable limits under Israeli income tax law.

Iris Bincovich Consulting Agreement

The Corporation and Iris Bincovich entered into a consulting agreement, dated August 8, 2018 (the “**Bincovich Consulting Agreement**”). Under the Bincovich Consulting Agreement, Iris Bincovich is to, among other duties, advise on completion of a business combination with InnoCan Israel and conduct business and affairs with the goal of achieving the Corporation’s principal objectives, as set by the Board. Ms. Bincovich received a consulting fee of \$30,000 for which she agreed to acquire an aggregate of 1,500,000 Common Shares at a price \$0.02 per Common Share (the “**Consulting Fee**”). The term of the Bincovich Consulting Agreement commenced on June 1, 2018 and continued until the completion of the business combination with InnoCan Israel on September 25, 2019. The Corporation may immediately terminate the Bincovich Consulting Agreement and the consulting relationship at any time prior to the expiry date for any reason by providing two (2) months written notice to Ms. Bincovich or, at the Corporation's sole discretion, an amount equal to the Consulting Fee that Ms. Bincovich would otherwise have been entitled to through to the end of the two (2) months notice period. Ms. Bincovich may immediately terminate the Bincovich Consulting Agreement and the consulting relationship at any time prior to the expiry date for any reason by providing two (2) months written notice to the Corporation, and except for the Consulting Fee owing to her through to the end of the two (2) month notice period and reimbursable expenses, nothing further shall be owing by the Corporation to Ms. Bincovich. Other than as described above, no other provisions in the Bincovich Consulting Agreement relate to change of control, severance, termination or constructive dismissal.

Nelson Halpern Consulting Agreement

The Corporation and Nelson Halpern entered into a consulting agreement, dated December 21, 2018 (the “**Halpern Consulting Agreement**”). Under the Halpern Consulting Agreement, Nelson Halpern oversaw the listing process of the Corporation as CFO of the Corporation. Mr. Halpern received a consulting fee of \$5,000 per month for January 2019 and February 2019 and thereafter received \$3,000 per month. Pursuant to the Halpern Consulting Agreement, Mr. Halpern was permitted to purchase an aggregate of 500,000 Common Shares at \$0.02 per Common Share. Effective February 1, 2021, Mr. Halpern began receiving a consulting fee of \$5,000 per month. Further, Mr. Halpern was granted 300,000 Options, exercisable at \$0.18 per Common Share. The term of the Halpern Consulting Agreement is indefinite and terminable upon 90 days’ notice by either party. Other than as described above, no other provisions in the Halpern Consulting Agreement relate to change of control, severance, termination or constructive dismissal.

Ron Mayron Consulting Agreement

The Corporation and Ron Mayron entered into a consulting agreement, date August 8, 2018, commencing on June 1, 2018 (the “**Mayron Consulting Agreement**”). Under the Mayron Consulting Agreement, Mr. Mayron advised on the business combination with InnoCan Pharma Ltd., provided business and affairs consultancy and assisted with other duties assigned by the board. Mr. Mayron received a signing and commitment fee of \$15,000 payable in common shares of the Corporation at \$0.02 per common share, an aggregate of 750,000 common shares. The term of the Mayron Consulting Agreement may be terminated upon two months written notice by the Corporation or Mr. Mayron.

Ron Mayron Employment Agreement

InnoCan Pharma Ltd. and Ron Mayron entered into an employment agreement, date November 1, 2017 (the “**Mayron Employment Agreement**”). Pursuant to the Mayron Employment Agreement, Mr. Mayron provides the services of Chairmen of the Board. The Mayron Employment Agreement was for a period of three years which automatically renewed for consecutive periods of one year unless terminated. The Mayron Employment Agreement provides for a salary of \$92,400 annually. Mr. Mayron is entitled to a cash bonus of \$64,000 in each of the following instances: a) when the company becomes a public company and has raised funds in the amount of \$3,000,000; b) once the company will reach the amount of \$1,500,000 in revenues. In addition Mr. Mayron is entitled to an annual bonus as determined by the board. In the event the company raises at least a cumulative sum of \$10,000,000, and Mr. Mayron is still employed or within 6 months from employment termination, Mr. Mayron is entitled to a gross bonus of \$50,000 (including taxes and benefits). The mutual prior notice period before termination is 3 months. Mr. Mayron was granted an option to purchase 1,500,000 share of common stock of InnoCan Pharma Corp., exercisable by Mr. Mayron at any time during a period of five years from the effective date. Additionally, Mr. Mayron is entitled to be granted an additional option to purchase 250,000 shares of common stock of the company at the same share price of the crowd funding share price. The Mayron Employment Agreement contains non-competition and non-solicitation clauses which restrictions are applicable during the term of the agreement and for a period of 12 months from termination. The employment agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Mayron calculated on the basis of his base salary; in this case with respect to pension arrangements of 5.75%, increasing to 6% as of January 2018 by Mr. Mayron and 6.25% by InnoCan Pharma Ltd, increasing to 6.5% as of January 2018. and with respect to savings (education fund and others), 2.5% from Mr. Mayron and 7.5% from InnoCan Pharma Ltd subject to applicable limits under Israeli income tax law.

Yoram Drucker Employment Agreement

InnoCan Pharma Ltd. and Yoram Drucker entered into an employment agreement on November 1, 2017, under which Mr. Drucker will provide services as VP of Business Development and board director (the “**Drucker Employment Agreement**”). The Drucker Employment Agreement provides for a salary of \$122,880 annually. Mr. Drucker will receive annual bonuses subject to the decision of the board. The Drucker Employment Agreement was for a period of three years which automatically renews for consecutive periods of one year unless terminated. The mutual prior notice period before termination is 3 months. Mr. Drucker is entitled to be granted options to purchase 1,500,000 shares of common stock of InnoCan Pharma Corp., exercisable at any time during a period of five years from the effective date. Mr. Drucker is entitled to be granted an additional option to purchase 250,000 shares of common stock of InnoCan Pharma Ltd., at the same price of the crowd funding share price. The Drucker Employment Agreement contains non-competition and non-solicitation clauses which restrictions are applicable during the term of the

agreement and for a period of 12 months from termination. The Drucker Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Mayron calculated on the basis of his base salary; in this case with respect to pension arrangements of 5.75%, increasing to 6% as of January 2018 by Mr. Mayron and 6.25% by InnoCan Pharma Ltd, increasing to 6.5% as of January 2018. and with respect to savings (education fund and others), 2.5% from Mr. Mayron and 7.5% from InnoCan Pharma Ltd., subject to applicable limits under Israeli income tax law.

Nir Avram Employment Agreement

InnoCan Pharma Ltd. and Nir Avram entered into an employment agreement on November 1, 2017, under which Mr. Avram will provide services as Chief Technological Dermatology Officer (the "**Avram Employment Agreement**"). The Avram Employment Agreement provides for a salary of 175,000 NIS annually. Mr. Avram will receive annual bonuses subject to the decision of the board. Mr. Avram is entitled to be granted options to purchase 1,001 shares of common stock of InnoCan Pharma Ltd. (equivalent to 735,735 shares after the share exchange in InnoCan Pharma Corporation), which shall vest in eight equal instalments, every quarter during two years from this agreement, and can be exercised at any time during a period of five years from the effective date. Mr. Avram is entitled to be granted an additional option to purchase 50 shares (or equivalent to 735,735 in the case of share split forward) of common shares of InnoCan Pharma Ltd., at the amount and terms as will be defined and accepted by the board. The Avram Employment Agreement was for a period of three years which automatically renews for consecutive periods of one year unless terminated. The mutual prior notice period before termination is 3 months. The Avram Employment Agreement contains non-competition and non-solicitation clauses which restrictions are applicable during the term of the agreement and for a period of 12 months from termination. The Avram Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Avram calculated on the basis of his base salary; in this case with respect to pension arrangements of 6% by Mr. Avram and 6.5% by InnoCan Pharma Ltd. and with respect to savings (education fund and others), 2.5% from Mr. Avram and 7.5% from InnoCan Pharma Ltd., subject to applicable limits under Israeli income tax law.

Nadav Zisman Employment Agreement

InnoCan Pharma Ltd and Nadav Zisman entered into an employment agreement on July 1, 2019 under which Mr. Zisman was employed as Finance and Operation Manager (the "**Zisman Employment Agreement**"). The Zisman Employment Agreement provided for a salary of NIS 276,000 in addition to an annual bonus subject to the decision of management. The Zisman Employment Agreement provided for the grant to Mr. Zisman of an option to purchase 408.163265 Common Shares of InnoCan Pharma Ltd (equivalent to 300,000 shares after the share exchange with InnoCan Pharma Corporation). The options vested in 20 equal instalments of 15,000 options every quarter during the 5 years from the term of this Agreement and are exercisable by the Employee at any time during a period of five years from the effective date. Either party to the agreement may terminate the agreement upon 30 days notice. The Zisman Employment Agreement contains non-competition during the term of the agreement and for a period of 24 months from termination and a non-solicitation clauses which restriction is applicable during the term of the agreement and for a period of 12 months from termination. The Zisman Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Zisman calculated on the basis of his base salary; in this case with respect to pension arrangements of 6% by Mr. Zisman and 6.5% by InnoCan Pharma Ltd. and with respect to savings (education fund and others), 2.5% from Mr. Zisman and 7.5% from InnoCan Pharma Ltd, subject to applicable limits under Israeli income tax law.

Shahar Shafran Employment Agreement

InnoCan Pharma Ltd. and Shahar Shafran entered into an employment agreement on July 1, 2019 under which Mrs. Shafran was employed as Brand and Product Manager (the “**Shafran Employment Agreement**”). The Shafran Employment Agreement provided for a salary of NIS 216,000 in addition to an annual bonus subject to the decision of management. The Shafran Employment Agreement provided for the grant to Mrs. Shafran of an option to purchase 136.05442 shares of common stock of InnoCan Pharma Ltd., (equivalent to 100,000 shares after the share exchange with InnoCan Pharma Corporation). The options vested in 20 equal instalments of 5,000 options every quarter during the 5 years from the term of the agreement and are exercisable by the Employee at any time during a period of five years from the effective date. Either party to the agreement may terminate the agreement upon 30 days notice. The Shafran Employment Agreement contains non-competition during the term of the agreement. The Shafran Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Shafran calculated on the basis of his base salary; in this case with respect to pension arrangements of 6% by Mrs. Shafran and 6.5% by InnoCan Pharma Ltd. and with respect to savings (education fund and others), 2.5% from Mr. Shafran and 7.5% from InnoCan Pharma Ltd, subject to applicable limits under Israeli income tax law.

Moshe Hukaylo Employment Agreement

InnoCan Pharma Ltd and Moshe Hukaylo entered into an employment agreement on March 1, 2018 under which Mr. Hukaylo was employed as Chief Financial Officer (the “**Hukaylo Employment Agreement**”). The Hukaylo Employment Agreement provided for a salary of NIS 180,000 annually, and an annual bonus subject to the decision of the board. Either party to the agreement may terminate the agreement upon 30 days notice. The Hukaylo Employment Agreement contains non-competition and non-solicitation clauses which restrictions are applicable during the term of the agreement and for a period of 12 months from termination. The Hukaylo Employment Agreement provided for the grant to Mr. Hukaylo of an option to purchase 1,001 shares of common stock of InnoCan Pharma Ltd. The options shall be vested in 8 equal instalments, every quarter during two years from signing the Hukaylo Employment Agreement and can be exercisable during a period of 5 years from the effective date. Mr. Hukaylo is entitled to an additional option to purchase 50 shares of common stock of InnoCan Pharma Ltd., at the amount and terms as defined and accepted by the board. The Hukaylo Employment Agreement also provides for certain social benefit contributions to be made by InnoCan Pharma Ltd. and Mr. Hukaylo calculated on the basis of his base salary; in this case with respect to pension arrangements of 6% by Mr. Hukaylo and 6.5% by InnoCan Pharma Ltd. and with respect to savings (education fund and others), 2.5% from Mr. Hukaylo and 7.5% from InnoCan Pharma Ltd., subject to applicable limits under Israeli income tax law. Moshe Hukaylo employment agreement was terminated as of January 5, 2020.

Summary of Compensation

Effective January 1, 2019, the Corporation established a compensation program for non-management directors. All payments of fees to directors are to be made in DSUs (as defined below). Directors who are employees of the Corporation do not receive retainers or fees with respect to Board matters.

Each non-management director is paid an annual retainer of CAD\$5,000. For each meeting of the Board, a fee of CAD\$500 is paid to each director who attended and a fee of CAD\$250 will be paid for each committee meeting and Board conference call a director attends. In addition, the Board Chairman is paid an additional CAD\$2,500 annual retainer and each committee Chairman

is paid a CAD\$2,500 annual retainer. The directors are reimbursed for their reasonable expenses in connection with all meetings.

In the event the Board and committee retainers are not settled with DSUs, fees are to be paid quarterly, in arrears, and are pro-rated for partial service, if appropriate. Directors are also eligible to participate in the Option Plan.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the securities of the Corporation that are authorized for issuance under the equity compensation plans as at December 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	-	-	-
Equity compensation plans not approved by securityholders	18,178,708	0.22	14,799,632
Total	18,178,708	0.22	14,799,632

INDEBTEDNESS OF DIRECTORS AND OFFICERS

The following table summarizes the outstanding aggregate indebtedness as of the date hereof owed to the Corporation or any of its subsidiaries by all executive officers, directors, employees, former directors and employees of the Corporation or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS (\$)						
Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During the Year Ended December 31, 2020	Amount Outstanding as at May 26, 2021	Financially Assisted Securities Purchases During the Year Ended December 31	Security for Indebtedness	Amount Forgiven During the Year Ended December 31, 2020
Iris Bincovich, Chief Executive Officer	InnoCan Pharma Ltd.	US\$16,000	US\$11,000	N/A	N/A	N/A

Ms. Bincovich was loaned the sum of US\$12,000 on June 24, 2019 and \$5,200 on November 3, 2019 by InnoCan Pharma Ltd. As of the date herein, US\$11,000 is outstanding. No interest is payable on this loan. Such loan amount will be repaid in full to InnoCan Pharma Ltd on or before May 30, 2023.

AUDITOR

The current auditors of the Corporation are Ziv Haft, CPA (Isr.), a BDO member firm, with offices at Amot BDO House 48 Menachem Begin Road, Tel Aviv 661800.

AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), the Corporation is required to include in this Management Information Circular the disclosure required under Form 52-110F2 with respect to the audit committee (the “**Audit Committee**”) of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule “A”), and the fees paid to the external auditor. The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a “venture issuer”. As a result, the Corporation is exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy
Joshua Lintern	Independent	Financially Literate
Yoram Drucker	Non-Independent ⁽²⁾	Financially Literate
Peter Bloch	Independent	Financially Literate

Notes:

- (1) The Corporation is a “venture issuer” for the purposes of NI 52-110. As such the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members.
- (2) Yoram Drucker is not independent by virtue of serving as Executive Vice President, Business Development of the Corporation.

The Board has determined that the Corporation will rely on Part 6 of NI 52-110F1 requiring that a majority of the members of an audit committee of a venture issuer must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer. The Corporation believes that each of the members of the Audit Committee possesses: (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting, particulars of which are as follows:

Yoram Drucker

Mr. Drucker has extensive experience serving as a CEO, Chief Operating Officer (“**COO**”), and board member at many diversified private and public companies. He was a co-founder of Pluristem (PSTI) – NASDAQ. Mr. Drucker assisted negotiations with first and second round funding and established the business plan. Mr. Drucker was also founder, COO, and CEO of BrainStorm Cell Therapeutics Inc. (BCLI) – NASDAQ from 2004 to 2007. In 2011, Mr. Drucker co-founded and served as CEO of Cell Source Ltd. Mr. Drucker further served on the board of Cell Source Ltd., as well as its audit committee. Further, Mr. Drucker also served on the board of Cell Source Inc. (CLCS) – OTC which is the 100% holder of Cell Source Ltd. Mr. Drucker generally has extensive experience dealing with different aspects of building a start-up company, including establishing start-up concepts, business plan preparation and financing. He is experienced in reading and understanding financial statements and disclosure of financial matters with respect to public companies. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, see “Directors and Executive Officers”.

Peter Bloch

Mr. Bloch is a Chartered Accountant with an extensive record of entrepreneurial and executive successes. He has held senior management positions with Sanofi-Aventis Canada, Intellivax International Inc., Genum Corporation and Tribute Pharmaceuticals. Mr. Bloch is currently the CEO of Bresotec Inc., a Medical device company developing and commercializing easy to use and accurate technologies for the diagnosis and treatment of sleep apnea and related health conditions through acoustic analysis. Mr. Bloch was previously CEO and Chairman of Bionik Laboratories, a publicly listed company and was a member of the Dean’s Advisory Council at the Ted Rogers School of Management, Ryerson University.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures for the Engagement of Non–Audit Services

The Audit Committee must pre-approve all non-audit services to be provided to the Corporation by its external auditors. The Audit Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member reports to the Audit Committee at the next scheduled meeting such pre-approval and the member complies with such other procedures as may be established by the Audit Committee from time to time.

Audit Committee Charter

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule “A” attached hereto.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors for the financial year ended December 31, 2020 are approximately as follows:

Financial Period Ending	Audit Fees (USD\$)	Audit Related Fees (USD\$)	Tax Fees (USD\$)	All Other Fees (USD\$)
December 31, 2020	64,000	-	8,500	-
December 31, 2019	64,000	-	5,200	22,000

MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1) Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2020 and the auditor's report thereon will be received at the Meeting. The audited financial statements of the Corporation and the auditor's report were delivered to each shareholder which has formally requested a copy thereof as required pursuant to applicable laws and are available on SEDAR at www.sedar.com.

2) Appointment of Auditors

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing Ziv Haft, Certified Public Accountants (Isr.), BDO Member Firm, as auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the directors of the Corporation.

It is the intention of the persons named in the enclosed Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies **FOR** the appointment of Ziv Haft, Certified Public Accountants (Isr.), BDO Member Firm as auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the directors of the Corporation.

3) Election of Directors

The Board of Directors has fixed the number of directors to be elected at the Meeting at seven (7). Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by such nominees, the nominees' municipality and country of residence, principal occupation at the present time, the period during which the nominees have served as directors, and the number and percentage of Common Shares currently beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised.

Name and Place of Residence	Principal Occupation for Past Five (5) Years	Became Director	Number and Percentage of Common Shares Beneficially Owned or Controlled ⁽¹⁾
Ron Mayron (Israel)	Independent Businessman and Corporate Director Since June, 2014; prior thereto, VP of Israel and Africa and CEO of Teva Israel Ltd., a wholly owned subsidiary of Teva Pharmaceutical Industries Ltd. (a Public pharmaceutical corporation)	September 25, 2019	5,160,000
Iris Bincovich (Israel)	CEO, InnoCan Pharma since January, 2018; VP Global Marketing & Sales, Kamedis Ltd, (Private company) Tel Aviv, Israel (October, 2015 to December, 2017); prior thereto, VP Business Development, Starlet Derma Ltd, (Private company) Caesarea, Israel (January, 2014 to September 2015); prior thereto, Business Unit	September 25, 2019	2,859,750

	Manager, Pollogen Ltd, (Private company) Tel Aviv, Israel		
Yoram Drucker ⁽¹⁾ (Israel)	Executive VP, Business Development, InnoCan Pharma, since October 2017; prior thereto independent businessman and consultant	September 25, 2019	12,201,000
Eyal Flom, LL.M, MBA (Israel)	Independent lawyer and legal counsel to InnoCan Israel	September 25, 2019	1,837,500
Ralph C.L Bossino ⁽²⁾ (Gibraltar)	CEO and Director of Tamar Technologies Ltd, prior role as director of a private real estate investment and asset management company headquartered in Gibraltar; Independent Barrister At-Law since October 2014; prior thereto, Associate, Hassans International Law Firm, Gibraltar.	September 25, 2019	Nil
Joshua A. Lintern ⁽¹⁾⁽²⁾ (Ontario, Canada)	Senior Vice President and Real Estate Lead with Marsh and McLennan; previously Director, Risk and Insurance, Dream Unlimited Corp.	September 25, 2019	Nil
Peter Bloch ⁽¹⁾ (Ontario, Canada)	Chief Executive Officer of BrescoTec since August, 2018, and Chief Executive Officer of Wembley Advisors Corp since January 2018; prior thereto, Chief Executive Officer and Chairman of Bionik Laboratories Corp.	January 23, 2020	Nil

Notes:

(1) Member of the Audit Committee.

(2) Nominees of Tamar Innovest Limited pursuant to a nomination rights agreement.

Biographical information regarding the proposed directors is set out below.

Ron Mayron – Chairman and a Director

Ron Mayron, age 57, was a senior executive in Teva Pharmaceuticals Industries Ltd. until 2014 and has since been a consultant and board member to several public and private healthcare companies. Since 2014, Mr. Mayron served as CEO of Ron Med Ltd., a private consulting firm, while also acting as a board member to several healthcare companies, including Biolight Ltd. and Icecure Ltd. (both traded on the TASE). Between 2009 and 2013 Mr. Mayron was Vice President – Israel & Africa and CEO of Teva Israel Ltd. at Teva Pharmaceutical Industries Ltd. Mr. Mayron has a B.Sc. in Industrial & Management Engineering from Ben-Gurion University of the Negev in Israel and an M.B.A from Tel Aviv University.

Mr. Mayron is a part-time employee of the Corporation, and expects to devote on average one day per week to the business of the Corporation, and his contract includes non-competition and non-disclosure provisions.

Iris Bincovich – Chief Executive Officer and a Director

Iris Bincovich, age 53, has over 20 year of experience as a sales and marketing executive in pharmaceutical and medical device companies with an emphasis on dermatology products. Between 2015 and 2017 Mrs. Bincovich was Global VP Marketing and Sales for Kamedis Ltd., an Israeli manufacturer of OTC skin care solutions. Between 2014 and 2015 Mrs. Bincovich was VP Business Development, at Starlet Derma Ltd., an Israeli manufacturer of all-natural topical drug/topical delivery technology. Between 2012 and 2014 Mrs. Bincovich was the Business Unit Manager at Pollogen Ltd., an Israeli provider of technologies of non-invasive anti-aging facial and body contouring treatment platforms. Between 2009 and 2012 Mrs. Bincovich was an independent consultant to several Israeli start-up companies involved in dermatology fields. Mrs. Bincovich has a BSc. in chemistry in from the Haifa Technion, Israel's Institute of Technology.

Mrs. Bincovich is a full-time employee of InnoCan, and her employment contract includes non-competition and nondisclosure provisions.

Yoram Drucker – Executive Vice President, Business Development and a Director

Yoram Drucker, age 56, has been for the last 20 years a serial entrepreneur in the Israeli biotech industry founding several companies. Mr. Drucker presently serves as the CEO of ViruCure Ltd., an Israeli start-up developing a biological cancer treatment. Between 2011 and 2014 Mr. Drucker served as founder, CEO and Chairman of the board of Cell Source Ltd., an Israeli company developing cell therapy to treat transplant rejection and cancer. In 2014 Cell Source Ltd. became a wholly owned subsidiary of Cell Source Inc., by way of a reverse merger. Mr. Drucker was a member of the Cell Source Inc. board of directors until April 9, 2019. Between 2008 and 2011 Mr. Drucker was the co-founder and CEO of Rainbow Energy Limited, an Israeli renewable energy company. Mr. Drucker is an honors graduate from the Abudi College of Advertising and Marketing in Tel Aviv, Israel.

Mr. Drucker is an employee of InnoCan, and expects to devote 70% his time to the Corporation. His employment contract includes non-competition and non-disclosure provisions.

Eyal Flom – Director

Eyal Flom, age 56, has practised as an independent lawyer in Israel since 1997. Prior thereto, Mr. Flom was an associate at Manusavitch Gotfried Law Firm, located in Israel, where he was engaged in commercial and corporate law, intellectual property registration and litigation matters. Mr. Flom has served as the Israeli Pharmaceutical Association legal counsel since April 1995. Mr. Flom has also served as a director in several start-up companies in the field of technology and biotech. Mr. Flom obtained his LLM from the Tel Aviv University and his MBA from Derby University (Tel Aviv Campus). It is anticipated that Mr. Flom will assist the Corporation on an as-needed basis.

Ralph C.L. Bossino – Director

Ralph Bossino, age 34, is the CEO and a Director of Tamar Technologies Limited and has practised as an independent barrister-at-law since 2014. Mr. Bossino served as a director and member of the investment committee of a private international real estate investment and asset management company. Mr. Bossino obtained his LLB (Hons) from King's College, qualified as a barrister in England and Wales in 2010, was called to the bar in England in 2010 and called to the bar in Gibraltar in 2012 with an accompanying practicing certificate as a solicitor. It is anticipated that Mr. Bossino will assist the Corporation on an as-needed basis.

Joshua A. Lintern – Director

Mr. Lintern, age 35, has served as Senior Vice President and Real Estate Industry Lead with Marsh and McLennan since October 2019, Prior to that, Mr. Lintern served as Director, Risk and Insurance, of Dream Unlimited Corp. since 2014. In addition, Mr. Lintern acts as an independent advisor to several private start-ups focused on real estate and technology. Mr. Lintern holds a BSc (Hons) in Environmental Sciences from the University of Guelph and obtained his Certified Risk Manager status from the University of Toronto (Continuing Studies) in 2013. It is anticipated that Mr. Lintern will assist the Corporation on an as-needed basis.

Peter Bloch – Director

Mr. Bloch, age 62, is a Chartered Accountant with an extensive record of entrepreneurial and executive successes. He has held senior management positions with Sanofi-Aventis Canada, Intellivax International Inc., Gennum Corporation and Tribute Pharmaceuticals. Mr. Bloch is currently the CEO of Bresotec Inc., a Medical device company developing and commercializing easy to use and accurate technologies for the diagnosis and treatment of sleep apnea and related health conditions through acoustic analysis. Mr. Bloch was previously CEO and Chairman of Bionik Laboratories, a publicly listed company and was a member of the Dean's Advisory Council at the Ted Rogers School of Management, Ryerson University.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued while the

proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or

- (b) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On or about April 2, 2015, the Alberta Securities Commission cease traded QSolar Limited (“**QSolar**”) based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, William Macdonald, along with three other individuals, was appointed as a director of QSolar in order to try to preserve the assets of QSolar. Mr. Macdonald resigned as a director of QSolar effective June 18, 2015.

No person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No person proposed to be nominated for election as a director at the Meeting is or has, within the preceding ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

4) Amendment to the Stock Option Plan

At the Meeting, shareholders of the Corporation will be asked to approve an ordinary resolution ratifying, confirming, and approving the amendment to the Corporation’s existing Option Plan introducing restricted shares and restricted share units as issuable Awards (as defined in the Option Plan) under the Option Plan from time to time (as amended, the “**Amended Option Plan**”), as well as other housekeeping amendments. A copy of the Amended Option Plan is appended hereto as Schedule “B” to this Management Information Circular.

In order to be effective, the Option Plan Resolution requires the approval of not less than 50% of the votes cast by the disinterested Shareholders represented at the Meeting in person or by proxy. To the knowledge of the Corporation, a total of 67,198,347 Common Shares (being approximately 30.56% of the issued and outstanding Common Shares) are held by Shareholders who are considered insiders and to whom Options may be granted, and the associates thereof, and will be excluded from voting on the Option Plan Resolution.

At the Meeting, shareholders will be asked to pass an ordinary resolution approving the Option Plan (the “**Option Plan Resolution**”) in the following form:

“BE IT HEREBY RESOLVED as an ordinary resolution that

- (1) The amendment to the Corporation’s Option Plan to introduce restricted shares and restricted share units as issuable awards under the Option Plan, as more particularly set out in the Management Information Circular, is hereby approved; and
- (2) Any director or officer of the Corporation is authorized and directed to do or to cause to be done all such other acts and things as in the opinion of such director or officer of the Corporation may be necessary or desirable in order to fulfill the intent of this resolution.

(the **“Option Plan Resolution”**)

The Board has unanimously approved the Option Plan and recommends that shareholders vote FOR the Option Plan Resolution.

In order to be effective, the Option Plan Resolution must be approved by at least a majority of the votes cast by disinterested shareholders who vote in respect of the Option Plan Resolution.

Unless the shareholder has specified in the enclosed Proxy that the common shares represented by such Proxy are to be voted against the Option Plan Resolution, the persons named in the enclosed Proxy will vote FOR the Option Plan Resolution.

ADDITIONAL INFORMATION

Additional information about the Corporation is located on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the financial year ended December 31, 2020, which were filed on SEDAR on March 31, 2021.

Under National Instrument 51-102 *Continuous Disclosure Obligations*, any person or company who wishes to receive interim financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation’s agent, together with a signed statement that the persons or company is the owner of securities of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed Proxy, in the addressed envelope provided, to the Corporation’s registrar and transfer agent, Odyssey Trust Company, at Stock Exchange Tower, 1230-300 5th Avenue SW, Calgary, Alberta T2P 3C4 or by email to proxy@odysseytrust.com. The Corporation will maintain a supplemental mailing list of persons or companies wishing to receive interim financial statements.

Shareholders may contact the Company to request copies of the financial statements and MD&A by writing to the Corporation’s CFO, Nelson Halpern, at the following address:

INNOCAN PHARMA CORPORATION
1015, 926 – 5 Avenue SW,
Calgary, Alberta, T2P 0N7

DIRECTORS APPROVAL

The contents of this Management Information Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

May ____, 2021

(signed) "*Iris Bincovich*"

Iris Bincovich
Chief Executive Officer

Schedule "A"

AUDIT COMMITTEE CHARTER INNOCAN PHARMA CORPORATION AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

I. ROLE AND OBJECTIVE

- A. The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of InnoCan Pharma Corporation (the "**Corporation**") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information. The primary objectives of the Committee are as follows:
- (a) To assist directors of the Corporation (the "**Directors**") on meeting their responsibilities in respect of the review, approval, preparation and disclosure of the financial statements of the Corporation and related documentation;
 - (b) To provide a communication link between independent Directors and external auditors;
 - (c) To enhance the external auditor's independence;
 - (d) To increase the credibility and objectivity of financial reports; and
 - (e) To strengthen the role of the outside Directors by facilitating in depth discussions between Directors on the Committee, management and external auditors.

II. MEMBERSHIP OF COMMITTEE

- A. The Committee shall be comprised of at least three (3) Directors, at least two of whom must be "independent" (as such term is used in National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") unless the Board shall have determined that the exemption contained in NI 52-110 is available and has determined to rely thereon.
- B. The Board shall appoint the Chair of the Committee, who shall be an independent Director.
- C. All of the members of the Committee shall be "financially literate" (as such term is defined in NI 52-110 and by the Canadian Securities Exchange or other applicable regulatory authority) unless the Board shall determine that an exemption under NI 52-110 from such requirement in respect of any particular member is available and has determined to rely thereon in accordance with the provisions of NI 52-110.

III. MANDATE AND RESPONSIBILITIES OF COMMITTEE

- A. The Committee shall provide oversight on the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
- B. The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:
 - (a) identify, monitor and mitigate business risks;
 - (b) ensure compliance with legal, ethical and regulatory requirements;
 - (c) review the Corporation's risk management controls and policies;
 - (d) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
 - (e) review management steps to implement and maintain appropriate internal control procedures including a review of policies;
 - (f) review adequacy of security of information, information systems and recovery plans;
 - (g) monitor compliance with statutory and regulatory obligations;
 - (h) review the appointment of the Chief Financial Officer; and
 - (i) review the adequacy of accounting and finance resources.
- C. The primary responsibility of the Committee is to review the annual and interim financial statements of the Corporation and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include, but not be limited to:
 - (a) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - (c) ascertaining compliance with covenants under loan agreements;
 - (d) reviewing accounting treatment of unusual or non-recurring transactions;
 - (e) reviewing disclosure requirements for commitments and contingencies;
 - (f) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

- (g) reviewing unresolved differences between management and the external auditors; and
 - (h) obtaining explanations of significant variances with comparative reporting periods.
- D. The Committee is to review the financial statements, prospectuses, MD&A, annual information forms and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information.
- E. With respect to the appointment of external auditors by the Board, the Committee shall:
 - (a) review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors qualifications, independence and performance;
 - (b) review and recommend to the Board the annual external audit plan, including but not limited to the following:
 - (i) engagement letter;
 - (ii) objectives and scope of the external audit work;
 - (iii) procedures for quarterly review of financial statements;
 - (iv) materiality limit;
 - (v) areas of audit risk;
 - (vi) staffing;
 - (vii) timetable; and
 - (viii) proposed fees;
 - (c) on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - (d) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
 - (e) review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.

- F. Review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - (a) any difficulties encountered, or restrictions imposed by management during the annual audit;
 - (b) any significant accounting or financial reporting issue including the resolution of any disagreement between management and the external auditors;
 - (c) the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation;
 - (d) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weakness; and
 - (e) assess the performance and consider the annual appointment of external auditors for recommendation to the Board.
- G. The Committee shall review risk management policies and procedures of the Corporation (e.g. hedging, litigation and insurance).
- H. The Committee shall review and receive assurances on the independence of the external auditor.
- I. The Committee shall review the non-audit services to be provided by the external auditor's firm and consider the impact on the independence of the external audit.
- J. The Committee shall establish a procedure for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- K. The Committee shall review and be apprised of any intent of the Corporation regarding the hiring of partners and employees who work on the Corporation's account and former partners and employees of the present and former external auditors of the Corporation.
- L. The Committee shall have the authority to communicate directly with the internal auditors of the Corporation (if any) and the external auditors of the Corporation.
- M. The Committee shall have the authority to investigate any financial activity of the Corporation. All employees of the Corporation are to cooperate as requested by the Committee.
- N. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of the Corporation without any further approval of the Board.
- O. The Committee shall review material litigation and its impact on financial reporting.

IV. MEETINGS AND ADMINISTRATIVE MATTERS

- A. At all meetings of the Committee every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
- B. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
- C. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Board.
- D. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
- E. The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate. At each of these meetings, the Committee will have an "in-camera" session with the external auditors.
- F. The Corporation's auditors shall be advised of the names of the Committee members and, when appropriate, will receive notice of and be invited to attend meetings of the Committee and to be heard at those meetings on matters relating to the auditor's duties.
- G. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
- H. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
- I. Minutes of the Committee will be recorded and maintained and circulated to Directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
- J. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
- K. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following their appointment as a member of the Committee each member shall hold office until the Committee is reconstituted.

- L. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

V. STANDARDS OF LIABILITY

Nothing contained in this Mandate and Terms of Reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in this Mandate and Terms of Reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

VI. REVIEW OF MANDATE AND TERMS OF REFERENCE

The Committee shall review and assess this Mandate and Terms of Reference annually and otherwise as it deems appropriate and recommend changes to the Board.

Schedule "B"

INNOCAN PHARMA CORPORATION (THE "CORPORATION") STOCK OPTION PLAN

1. Purpose

The purpose of the 2021 Stock Option Plan (the "**Plan**") of Innocan Pharma Corporation, a corporation incorporated under the laws of Canada (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, advisory board members, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares of the Corporation ("**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and aligning their efforts on behalf of the Corporation with the interests and affairs of the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a committee of the directors appointed, from time to time, by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the Directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all agreements setting forth the terms applicable to a particular Award ("**Award Agreements**") entered into thereunder, to define the terms used in the Plan supplemental hereto and in all Award agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be final, binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each grant of an award and/or Share under the Plan or any Sub-Plan, including, options to purchase Shares ("**Options**"), and/or restricted shares, and/or restricted share units, and/or stock appreciation rights, and/or performance units, and/or performance shares and other stock or cash awards as the Board may determine ("**Award**") hereunder may be evidenced by an Award Agreement in writing, signed on behalf of the Corporation and by the Participant (as defined below), in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. Stock Exchange Rules

All Awards granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 19 hereof, the Shares subject to the Awards under the Plan shall consist authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise or vesting (as applicable) of all Awards granted under the Plan and all other security-based compensation arrangements of the Corporation shall not exceed twelve percent (12%) of the issued and outstanding Shares of the Corporation from time to time. If any Award granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, advisory board members, officers, consultants, and employees of the Corporation or its subsidiaries, and employees and consultants of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold Awards granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Awards were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom Awards shall be granted, the terms and provisions of the respective Award Agreements, the time or times at which such Awards shall be granted and vested, and the number of Shares to be subject to each Award agreement. In the case of employees or consultants of the Corporation or Management Company Employees, the Award Agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an Award may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Award or Awards if the Board shall so determine.

7. Exercise/Purchase Price

- (a) The exercise or purchase price (as applicable) of Awards granted under the Plan shall be fixed by the Board and if the Shares are listed on a Exchange, the exercise or purchase price (as applicable) of the Awards shall not be less than the closing price of the Shares on the Exchange (or if the Shares are listed on more than one Exchange on such Exchange as may be designated by the Board for such purpose) on the trading day immediately preceding the date of grant of Awards (the "**Market Price**") or such other minimum price as may be required by the stock exchange on which the Shares are listed at the time of grant.

- (b) Once the exercise or purchase price (as applicable) has been determined by the Board, accepted by the Exchange and the Award has been granted, the exercise or purchase price (as applicable) of an Award may be reduced upon receipt of Board approval, subject to the rules and any approval required by the Exchange, and provided that in the case of Awards held by Insiders of the Corporation (as defined in the policies of the Exchange), the exercise price or purchase price (as applicable) of an Award may be reduced only if disinterested shareholder approval is obtained.

8. Number of Granted Shares

- (a) Awards shall be subject to the following additional limitations:
 - (i) no single Participant may be granted Awards to purchase a number of Shares equalling more than five percent (5%) of the issued Shares of the Corporation in any twelve (12) month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements;
 - (ii) Awards shall not be granted if the exercise thereof would result in the issuance of more than two percent (2%) of the issued Shares of the Corporation in any twelve (12) month period to any one consultant of the Corporation (or any of its subsidiaries);
 - (iii) in aggregate, no more than ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for insiders, as defined in subsection 1(aa) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(c) of the *Securities Act* (Alberta) ("**Insiders**") under the Plan, together with all other security-based compensation arrangements of the Corporation;
 - (iv) the number of securities of the Corporation issued to Insiders in any twelve (12) month period under all security-based compensation arrangements cannot exceed ten percent (10%) of the issued and outstanding Shares; and
 - (v) Awards shall not be granted if the exercise thereof would result in the issuance of more than two percent (2%) of the issued and outstanding Shares of the Corporation in any twelve (12) month period to persons (or of any of their subsidiaries or associates) conducting investor relations activities. Awards granted to persons performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than $\frac{1}{4}$ of the Awards vesting in any 3 months period.
- (b) The number of Shares subject to Award agreements with any one Participant shall be determined by the Board, but no one Participant shall be granted Awards which exceeds the maximum number permitted by the Exchange.

9. Duration of Option

Each Option and all rights thereunder shall be expressed to expire on the date set out in the Award Agreement and shall be subject to earlier termination as provided in Section 15 and 16, provided that in no circumstances shall the duration of an Award Agreement exceed the maximum term permitted by the Exchange.

Should the expiry date of an Option fall within a Black Out Period (as defined below) or within nine business days following the expiration of a Black Out Period, such expiry date of the Award Agreement shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Award Agreement for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

“Black Out Period” means the period during which the relevant Participant is prohibited from exercising or purchasing an Awards or receiving Shares pursuant thereto due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation or applicable laws respecting restrictions on trading that are in effect at that time.

10. Option Period, Consideration and Payment

- (a) The Option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the Option period shall be reduced with respect to any Option as provided in Section 15 and 16 covering cessation as a director, advisory board member, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part, at any time, and from time to time, during the Option period. To the extent required by the Exchange, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Section 15 and 16, no Option may be exercised unless the Participant is, at the time of such exercise, a director, advisory board member, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the Option is being exercised and unless such exercise is made pursuant to Section 13, a cash payment, certified cheque or bank draft for the full exercise price of such Options with respect to which the Option exercise is made. No Participant or Participant’s legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to exercised Options, are issued to the Participant under the terms of the Plan and applicable Award Agreement.

11. Restricted Shares

- (a) Restricted shares may be issued to all Participants either alone or in addition to other Awards granted under the Plan. The Board shall determine the eligible Participants to whom, and the time or times at which, grants of restricted shares will be made, the number of Shares to be awarded, the purchase price (if any) to be paid by the Participant (subject to Section 13(b), the time or times at which such Awards may be subject to forfeiture (if any) and repurchase by the Company or the Company's shareholders (e.g., if repurchase by the Company is not permitted under applicable law), the vesting schedule (if any) and rights to acceleration thereof; and all other terms and conditions of the Awards. Subject to requirements under applicable law and unless otherwise determined by the Board, the Participant shall not be permitted to sell or transfer restricted shares awarded under this Plan during a period set by the Board (if any) commencing with the date of such Award, as set forth in the applicable Award Agreement.
- (b) The purchase price, if any, of restricted shares shall be determined by the Board. Awards of restricted shares must be accepted within a period as the Board may specify at grant by executing an Award Agreement and by paying whatever price (if any) the Board has designated thereunder. The repurchase price shall be equal to the amount paid by the Participant, if any, in accordance with applicable law.
- (c) Each Participant receiving restricted shares shall be issued a share certificate in respect of such restricted shares, unless the Board elects to use another system, such as book entries by the transfer agent, as evidencing ownership of restricted shares. Such certificate shall be registered in the name of such Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award.
- (d) Except as otherwise determined by the Board and set forth in the Award Agreement, the Participant shall have, with respect to any restricted shares, all of the rights of a holder of Shares including, without limitation, the right to receive any dividends, the right to vote such shares and, subject to and conditioned upon the full vesting of restricted shares, the right to tender such shares.
- (e) If and when the period of restriction set by the Board expires without a prior forfeiture of the restricted shares subject to such period of restriction, the certificates for such shares shall be delivered to the Participant. Then, all legends shall be removed from said certificates at the time of delivery to the Participant except as otherwise required by applicable law. Notwithstanding the foregoing, actual certificates shall not be issued to the extent that book entry recordkeeping is used.

12. Restricted Share Units.

- (a) Restricted share units may be granted at any time and from time to time as determined by the Board, either alone or in addition to other Awards granted under the Plan. The Board shall determine the eligible Participants to whom, and the time or times at which, grants of restricted share units will be made, the number of restricted share units to be awarded, the number of Shares subject to the restricted share units, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

- (b) Shares shall be issued to the Participant promptly following each vesting date determined by the Board, provided that Participant is engaged with the Company on the applicable vesting date. After each such vesting date, the Company shall promptly cause to be issued to the Participant, Shares with respect to restricted share units that became vested on such vesting date. It is clarified that no Shares shall be issued pursuant to the restricted share units to Participant until the vesting criteria determined by the Board is met.
- (c) Prior to the actual issuance of any Shares, each restricted share unit will represent an unfunded and unsecured obligation of the Company, payable only from the general assets of the Company.
- (d) A Participant holding restricted share units shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares issuable upon the vesting of any part of the restricted share units unless and until such Shares shall have been issued by the Company to such Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, unless otherwise provided herein.

13. Cashless Exercise

Subject to the provisions of the Plan and applicable Award agreement and the rules of the Exchange, a Participant may elect to exercise or purchase (as applicable) an Award by surrendering such Awards in exchange for the issuance of Shares equal to the number determined by dividing the Market Price (calculated as at the date of exercise) into the difference between the Market Price (calculated as at the date of exercise or purchase (as applicable)) and the exercise price or purchase price (as applicable) of such Awards and the Corporation may, but is not obligated to, accept such election. An Award may be exercised or purchased (as applicable) pursuant to this Section 1113, from time to time, by delivery to the Corporation at its head office in Israel or such other place as may be specified by the Corporation, of a written notice of exercise or purchase (as applicable) specifying that the Participant has elected a cashless exercise or purchase (as applicable) of such Awards and the number of Awards to be exercised or purchased (as applicable). The Corporation will not be required, upon the exercise or purchase (as applicable) of any Awards pursuant to this Section 13, to issue fractions of Shares or to distribute certificates which evidence fractional Shares. In lieu of fractional Shares, there will be paid to the Participant by the Corporation upon the exercise or purchase (as applicable) of such Awards pursuant to this Section 1113 within ten (10) business days after the exercise date or purchase date (as applicable), an amount in lawful currency of Canada equal to the then fair market value of such fractional interest (as determined by the Board), provided that the Corporation will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon a cashless exercise, the number of Shares actually issued shall be deducted from the number of Shares reserved with the Exchange for future issuance under the Plan and the balance of the Shares that were issuable pursuant to the Awards so surrendered shall be considered to have been cancelled and available for further issuance.

14. Surrender Offer

A Participant may make an offer to the Corporation, at any time, for the disposition and surrender by the Participant to the Corporation (and the termination thereof) of any of the Awards granted hereunder ("**Surrender Offer**") for an amount (not to exceed fair market value, which

shall be calculated as the amount equal to the Market Price (calculated as at the date of the Surrender Offer) less the exercise price or purchase price (as applicable) of such Awards; provided that to the extent such Surrender Offer is in conjunction with a take-over bid, amalgamation, arrangement or merger the Board in its sole discretion may determine the fair market value to be equal to the fair market value (as determined by the Board) of the consideration to be received per Share pursuant to such transaction less the exercise price or purchase price (as applicable) of such Awards) and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any Exchange or regulatory approval. If the Surrender Offer, either as made or as renegotiated, is accepted, the Awards in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Participant. Upon the surrender and termination of Awards pursuant to a Surrender Offer, the Shares issuable pursuant to such Awards shall, for purposes of the number of Shares reserved for issuance with the Exchange, be available for further grants.

15. Ceasing To Be a Director, Officer, Consultant or Employee

If a Participant shall cease as a director, advisory board member, officer, consultant or employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, advisory board member, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

Nothing contained in the Plan, nor in any Award Agreement shall confer upon any Participant any right with respect to continuance as a director, advisory board member, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

16. Death of Participant

In the event of the death of a Participant, the Option previously granted to the Participant shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Award Agreement shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that the Participant was entitled to exercise the Option at the date of his death.

17. Rights of Participant

No person entitled to exercise or purchase (as applicable) any Award granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise or purchase (as applicable) of such Award until certificates representing such Shares shall have been issued and delivered.

18. Proceeds from Sale of Shares

Unless a Participant exercises or purchases (as applicable) Awards pursuant to Section 15, the proceeds from the sale of Shares issued upon the exercise or purchase (as applicable) of Awards shall be added to the general funds of the Corporation and shall thereafter be available, from time to time, for such corporate purposes as the Board may determine.

19. Adjustments

If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion acting reasonably in the number or kind of Shares awarded and the exercise price or purchase price (as applicable) per Share, as regards previously granted and unexercised and/or unvested (as applicable) Awards or portions thereof, and as regards Awards which may be granted subsequent to any such change in the Corporation's capital.

Upon the liquidation or dissolution of the Corporation or upon a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty percent (80%) of the then outstanding Shares of the Corporation to another corporation, the Plan shall terminate, and any Awards theretofore granted hereunder shall terminate unless provision is made in writing in connection with such transaction for the continuance of the Plan and for the assumption of Awards theretofore granted, or the substitution for such Awards of new Awards covering the shares of a successor employer corporation, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices, in which event the Plan and Awards theretofore granted shall continue in the manner and upon the terms so provided. If the Plan and unexercised and/or unvested (as applicable) Awards shall terminate pursuant to the foregoing sentence, the Shares subject to all Awards granted shall immediately vest and all Participants then entitled to exercise an unexercised and/or unvested portion of Awards then outstanding shall have the right at such time immediately prior to consummation of the event which results in the termination of the Plan as the Corporation shall designate, to exercise or purchase (as applicable) their Awards to the full extent not theretofore exercised or purchased (as applicable).

Adjustments under this Section 19 shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

20. Transferability

All benefits, rights and Awards accruing to any Participant in accordance with the terms and conditions of the Plan and an Award Agreement shall not be transferable or assignable unless specifically provided herein and to the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and Awards may only be exercised by the Participant.

21. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, discontinue or terminate the Plan, provided that such discontinuance or termination shall not alter or impair any Award previously granted under the Plan.

The Board may by resolution amend this Plan and any Award Agreements granted under it without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) reduce the exercise price or purchase price (as applicable) of an Award held by an Insider of the Corporation;
- (b) extend the expiry date of an Award held by an Insider of the Corporation (subject to such date being extended by virtue of Section 9 above);
- (c) amend the limitations on the maximum number of Shares reserved or issued to Insiders under subsections 8(a)(ii) and 8(a)(iii) hereof;
- (d) increase the maximum number of Shares issuable pursuant to this Plan; and
- (e) amend the amendment provisions of this Plan under this Section 2121.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

22. Necessary Approvals

The ability of a Participant to exercise or purchase (as applicable) Awards and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Award exercise price or purchase price (as applicable) paid to the Corporation will be returned to the Participant.

23. Tax Withholding

The Corporation shall have the power and the right to deduct or withhold, or require (as a condition of exercise pursuant to Section 10 or 1311 hereof or as a condition of accepting a Surrender Offer) a Participant to remit to the Corporation, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld in respect to any taxable event arising as a result of the Plan, including the grant or exercise or purchase of Awards granted under the Plan. With respect to required withholding, the Corporation shall have the irrevocable right to (and the Participant consents to) the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to such Participant (whether arising pursuant to the Participant making a Surrender Offer or as a result of the Participant providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements satisfactory to the Participant and the Corporation. In addition, the Corporation may elect in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares as it determines are required to be sold by the Corporation, as trustee to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Participant and which shall be and are authorized to be deducted from the proceeds of the sale). The Participant consents to such sale and grants to the Corporation an irrevocable power of

attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of Shares. Any reference in this Plan to the issuance of Shares or a payment of cash is expressly subject to this Section 2323.

24. No Guarantee Regarding Tax Treatment

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Award under the Plan, whether arising as a result of the grant or exercise or purchase of Awards or otherwise. The Corporation and the Board make no guarantees to any person regarding the tax treatment of an Award or payments made under the Plan and none of the Corporation, its subsidiaries or any of its employees or representatives shall have any liability to a Participant with respect thereto.

25. Independent Advice

Participants are encouraged to seek tax advice in respect of the grant and exercise or purchase (as applicable) of Awards and the issuance of the resulting Shares. **Participants who are not employees, officers or directors of the Corporation (i.e., consultants and other service providers) should be aware that the tax consequences of being granted and exercising or purchasing (as applicable) Awards and selling Shares may be materially less favourable than the consequences to employees, officers and directors of the Corporation who are granted Awards as such and receive the benefit of the “stock option rules” under the *Income Tax Act (Canada)*.**

26. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

27. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

Sub Plan for Israeli Participants

**INNOCAN PHARMA CORPORATION
ISRAELI SUB PLAN**

Applicable to Israeli Residents Participants

1. GENERAL

- 1.1 This sub-plan (the “**Sub-Plan**”) shall apply only to Approved Israeli Participants who are resident of the State of Israel upon the grant date of the Award who are deemed Israeli tax residents (collectively, “**Israeli Participants**”). The provisions specified hereunder shall form an integral part of the Innocan Pharma Corporation Stock Option Plan (hereinafter the “**Plan**”).
- 1.2 This Sub-plan is to be read as a continuation of the Plan and modifies Awards granted to Israeli Participants only to the extent necessary to comply with the requirements set by the Israeli law in general, and in particular, with the provisions of the Israeli Income Tax Ordinance (New Version) 1961, as may be amended or replaced from time to time. This Sub-Plan does not add to or modify the Plan in respect of any other category of Participants.
- 1.3 The Plan and this Sub-Plan are complimentary to each other and shall be deemed as one. In the event of any conflict, whether explicit or implied, between the provisions of this Sub-Plan and the Plan, the provisions set out in the Sub-Plan shall prevail.
- 1.4 Any capitalized term not specifically defined in this Sub-Plan shall be construed according to the interpretation given to it in the Plan.

2. DEFINITIONS

- 2.1 “**Award**” means Option to acquire Shares of the Corporation.
- 2.2 “**102 Award**” means any Award, provided it is settled in Shares, granted to an Approved Israeli Participant pursuant to Section 102 of the Ordinance.
- 2.3 “**Approved Israeli Participant**” means an Israeli Participant who is an employee, director or an officer of the Israeli Subsidiary, excluding any Controlling Share Holder of the Israeli Subsidiary or consultant all as set forth in Section **102**.
- 2.4 “**Capital Gain Award**” or “**CGA**” means a Trustee 102 Award elected and designated by the Israeli Subsidiary to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) and Section 102(b)(3) of the Ordinance.
- 2.5 “**Controlling Share Holder**” shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 2.6 “**ITA**” means the Israeli Tax Authority.
- 2.7 “**Israeli Award Agreement**” means the option agreement between the Corporation and an Israeli Participant that sets out the terms and conditions of an Award.

- 2.8 **“Israeli Subsidiary”** means Innocan Pharma Ltd or/and any other subsidiary incorporated under the laws of the State of Israel.
- 2.9 **“Non-Trustee 102 Award”** means a 102 Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.
- 2.10 **“Ordinary Income Award”** or **“OIA”** means a Trustee 102 Award elected and designated by the Israeli Subsidiary to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.
- 2.11 **“Ordinance”** means the Israeli Income Tax Ordinance (New Version] — 1961, as now in effect or as hereafter amended.
- 2.12 **“Section 102”** means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.
- 2.13 **“Tax”** means any applicable tax and other compulsory payments such as social security and health tax contributions under any applicable law.
- 2.14 **“Trustee”** means any person or entity appointed by the Israeli Subsidiary to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance, as may be replaced from time to time.
- 2.15 **“Trustee 102 Award”** means a 102 Award granted to an Approved Israeli Participant pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of an Approved Israeli Participant.
- 2.16 **“Unapproved Israeli Participant”** means an Israeli Participant who is not an Approved Israeli Participant, including a consultant, advisory board member or a Controlling Share Holder providing services to Israeli Subsidiary.
- 2.17 **“Participant”** means any employee, director or an officer that is qualified under Section 102 for the grant of 102 Awards.

3. ISSUANCE OF AWARDS

- 3.1 The persons eligible for participation in the Plan as Israeli Participants shall include Approved Israeli Participants and Unapproved Israeli Participants, provided, however, that only Approved Israeli Participants may be granted 102 Awards.
- 3.2 The Corporation may designate Awards granted to Approved Israeli Participants pursuant to Section 102 as Trustee 102 Awards or Non-Trustee 102 Awards.
- 3.3 The grant of Trustee 102 Awards shall be made under this Sub-Plan and shall not be made until 30 days from the date the Plan and this Sub-Plan were submitted for approval by the ITA and shall be conditioned upon the approval or deemed approval of the Plan and this Sub-plan by the ITA in accordance with Section 102.
- 3.4 Trustee 102 Awards may either be classified as Capital Gain Awards (CGAs) or Ordinary Income Awards (OIA).

- 3.5 No Trustee 102 Award may be granted under this Sub-Plan to any Approved Israeli Participant, unless and until filing with the ITA an election regarding the type of Trustee 102 Awards, whether CGAs or OIAs, that will be granted under the Plan and this Sub-Plan (the “**Election**”). Such Election shall become effective beginning the first date of grant of a Trustee 102 Award under this Sub-Plan and shall remain in effect at least until the end of the year following the year during which the Corporation first granted Trustee 102 Awards. The Election shall obligate to grant *only* the type of Trustee 102 Award it has elected, and shall apply to all Israeli Participants who are granted Trustee 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, the Election shall not prevent the Corporation from granting Non-Trustee 102 Awards simultaneously.
- 3.6 All Trustee 102 Awards must be transferred and held in trust by, or subject to the approval of the ITA, under the control or supervision of a Trustee, as described in Section 4 below.
- 3.7 The designation of Non-Trustee 102 Awards and Trustee 102 Awards shall be subject to the terms and conditions set forth in Section 102.
- 3.8 Awards granted to Unapproved Israeli Participants shall be subject to tax in Israel in accordance with the provisions Section 3(i) of the Ordinance.

4. TRUSTEE

- 4.1 Notwithstanding with the provisions of the Plan, Trustee 102 Awards which shall be granted under this Sub-Plan and/or any Shares allocated or issued upon exercise of a Trustee 102 Award and/or other Shares received following any realization of rights under the Plan, shall be registered on the name of the Trustee , for the benefit of the Approved Israeli Participants or in the supervision of the Trustee, in accordance with the provisions of Section 102. In the event that the requirements for Trustee 102 Awards are not met, the Trustee 102 Awards may be regarded as Non-Trustee 102 Awards or as Awards which are not subject to Section 102, all in accordance with the provisions of Section 102.
- 4.2 With respect to any Trustee 102 Award, subject to the provisions of Section 102, an Approved Israeli Participant shall not sell or release from trust any Shares received upon vesting or exercise of a Trustee 102 Award and/or any Shares received following any realization of rights, including, without limitation, stock dividends, under the Plan at least until the lapse of the period of time required under Section 102 or any shorter period of time determined by the ITA (the “Holding Period”). Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 shall apply to and shall be borne by such Approved Israeli Participant.
- 4.3 Notwithstanding anything to the contrary, the Trustee shall not release or sell any Shares allocated or issued upon exercise of a Trustee 102 Award unless the Israeli Subsidiary and the Trustee are satisfied that the full amounts of Tax due have been paid or will be paid.
- 4.4 Upon receipt of any Trustee 102 Award, the Approved Israeli Participant within the Israeli Award Agreement shall provide its consent that the grant of the Award is granted under Section 102 and will undertake to comply with the terms of Section 102 and the trust arrangement between the Israeli Subsidiary and the Trustee.

5. THE AWARDS

The terms and conditions upon which the Awards shall be issued and exercised or vest, shall be specified in the Israeli Award Agreement to be executed pursuant to the Plan and to this Sub-Plan. Each Israeli Award Agreement shall state, *inter alia*, the number of Shares to which the Award relates, the type of Award granted thereunder (*ie.*, a CGA, OIA or Non-Trustee 102 Award or any Award granted to Unapproved Israeli Participant), and any applicable vesting provisions and exercise price that may be payable. For the avoidance of doubt it is clarified that there is no obligation for uniformity of treatment of Israeli Participants and that the terms and conditions of Awards need not be the same with respect to each Israeli Participant (whether or not such Israeli Participants are similarly situated).

6. EXERCISE AND VESTING OF AWARDS

The grant, vesting and exercise of Awards granted to Israeli Participants shall be subject to the terms and conditions and, with respect to exercise, the method, as may be determined by the Corporation (including the provisions of the Plan) and, when applicable, by the Trustee, in accordance with the requirements of Section 102. Any cashless as set forth in Section 11 of the Plan and/or net exercise shall not apply to the Trustee 102 Awards unless the Corporation obtained a pre-ruling from the ITA approving such methods.

7. ASSIGNABILITY, DESIGNATION AND SALE OF AWARDS

- 7.1 Notwithstanding any other provision of the Plan, no Award or any right with respect thereto, or purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral, or any right with respect to any Award given to any third party whatsoever, and during the lifetime of the Israeli Participant, each and all of such Israeli Participant's rights with respect to an Award shall belong only to the Israeli Participant. Any such action made directly or indirectly, for an immediate or future validation, shall be void.
- 7.2 As long as Awards or Shares issued or purchased hereunder are held by the Trustee on behalf of the Israeli Participant, all rights of the Israeli Participant over the Shares cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution except for the rules and conditions as set forth in Section 102.
- 7.3 Notwithstanding the provisions of the Plan, Surrender Offer set forth in Section 12 of the Plan shall not apply to Trustee 102 Awards, unless the Corporation obtained a pre-ruling from the ITA approving such method.

8. INTEGRATION OF SECTION 102 AND TAX ASSESSING OFFICER'S APPROVAL

- 8.1 With regard to Trustee 102 Awards, the provisions of the Plan and/or the Sub-Plan and/or the Israeli Award Agreement shall be subject to the provisions of Section 102 and any approval issued by the ITA and the said provisions shall be deemed an integral part of the Plan, the Sub-Plan and the Israeli Award Agreement.
- 8.2 Any provision of Section 102 and/or said approval issued by the ITA which must be complied with in order to receive and/or to maintain any tax Award pursuant to Section 102, which is not expressly specified in the Plan, the Sub-Plan or the Israeli Award Agreement, shall be considered binding upon the Israeli Participants.

9. TAX CONSEQUENCES

- 9.1 Consequences arising from the grant, exercise, vesting or sale of any Award, from the payment for or sale of Shares covered thereby or from any other event or act (of the Corporation, Israeli Subsidiary, Trustee or the Israeli Participant), hereunder, shall be borne solely by the Israeli Participant. The Israeli Subsidiary or the Trustee shall withhold Tax according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Israeli Participant agrees to indemnify the Israeli Subsidiary and/or the Trustee and/or the Corporation and hold them harmless against and from any and all liability for any such Tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such Tax from any payment made to the Israeli Participant.
- 9.2 The Corporation and/or, when applicable, the Trustee shall not be required to release any Award or Shares to an Israeli Participant until all required Tax payments have been fully made.
- 9.3 Trustee 102 Awards that do not comply with the requirements of Section 102 shall be considered as Non-Approved 102 Awards or Awards subject to tax under Section 3(i) of the Ordinance.
- 9.4 With respect to Non-Trustee 102 Awards, if the Israeli Participant ceases to be employed by the Israeli Subsidiary, or otherwise if so requested by the Israeli Subsidiary, the Israeli Participant shall extend to the Israeli Subsidiary a security or guarantee for the payment of Tax due at the time of sale of Shares, in accordance with the provisions of Section 102.
- 9.5 For avoidance of doubt, it is clarified that the tax treatment of any Award granted under this Sub-Plan is not guaranteed and although Awards may be granted under a certain tax route, they may become subject to a different tax route in the future.

10. ONE TIME AWARD

The Awards and underlying Shares granted to the Israeli Participants, and are not and shall not be deemed a salary component for any purpose whatsoever, including in connection with calculating severance compensation under Applicable Law, nor shall receipt of an award entitle a Israeli Participant to any future Awards.